

Kannaland Municipality

Budget 2016/2017 to 2018/2019



Medium Term Revenue and Expenditure
Framework (MTREF)

May 2016

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Glossary

Adjustments Budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debts collection policy.
Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality.
KPI's – Key Performance Indicators. Measures of services output and/or outcome.
MFMA – The Municipal Finance Management Act – on 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two

years budget allocations. Also includes details of the previous and current years' financial position.

Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implemented Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget

Virement Policy – The policy that sets out the rules for the budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually directorate/department level.

1. PART 1- ANNUAL BUDGET

1.1 Mayoral Speech

The Mayoral Budget speech will be made available on the day of approval of the budget.

1.2 Council Resolutions

The Council of Kannaland Municipality at a meeting that will take place on 24 May 2016 will consider and approve the final annual budget for 2016-17 – 2018-19. The following resolutions are contained in the agenda of the Special Council meeting:

RECOMMENDATION

That Council approve the 2016/17 budget in terms of section 17(2) of the Municipal Finance Management Act, (Act 56 of 2003), as well as section 24 of the Municipal Finance Management Act, (Act 56 of 2003) as follows:

- a. that the following policies has been reviewed and approved by no later than 24 May 2016:
 1. Customer Care, Credit Control and Debt Collection Policy;
 2. Property Rates Policy;
 3. Tariff Policy,
 4. Unauthorized Irregular and Fruitless and Wasteful Expenditure Policy;
 5. Indigent Policy;
 6. Virement Policy;
 7. Cash Management and Investment Policy;
 8. Supply Chain Management Policy;
 9. PPPFA Policy;
 10. Asset Management Policy;
 11. Funding Borrowing & Reserve Policy;
 12. Long Term Financial Plan;
 13. Liquidity Policy;
 14. Budget Implementation and Monitoring Policy.
 15. Bad debt write off policy
 16. Fleet Management Policy
 17. Grants-in-aid Policy
 18. Travel and Subsistence Policy
 19. Risk Management Policy
 20. Capital Contributions for new developments
 21. Water losses policy
 22. Electricity losses policy
 23. Public participation policy
- (b) that the annual budget for the financial year 2016/17 and indicative outer years 2017/18 and 2018/19 be noted in terms of section 24 of the MFMA as set-out:
 - (i) Capital expenditure by project as contained in annexure "A" to the agenda;
 - (ii) Capital funding by source as contained in annexure "A" to the agenda;
 - (iii) Operating revenue by source as contained in Table 1 of the report;
 - (iv) Operating expenditure by type as contained in Table 2 of the report;

- (c) that property rates as reflected in the report be imposed for the budget year 2016/17;
- (d) that tariffs and services charges as reflected in the formal tariff list be noted for approval for the budget year 2016/17;
- (e) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project;
- (f) all comments that were received be considered for correction or inclusion in the budget,
- (g) that the final annual budget documentation for 2016/17 – 2018/19 as outlined in the budget regulations be submitted to National and Provincial Treasury.

1.3 Budget 2015/16 Mid-year Review and adjustments budget

The following table shows the original and adjustments budget for 2015/16.

Item	Original Budget 2015/2016 R	MYR Adjusted Budget 2015/2016 R	Difference R
Capital	30 544 900	42 464 085	11 919 185
Operating Income	152 239 002	174 916 540	22 677 538
Operating Expenditure	125 352 460	134 679 308	9 326 848

The 2015/16 adjustments budget was taken into account in the preparation of the 2016/17 MTREF. In particular, the operating budget is a direct result of this adjustment budget due to a very realistic approach being adopted during the adjustment budget process.

1.4 Executive Summary

A dedicated budget task team was established for the preparation of the 2016/17 budget. The budget task team was confronted with numerous challenges during the budget process. The following had an impact:

- a) The continued negative effect of the economic downturn, more so now that our national economic health is in a volatile state;
- b) The continuously arising service delivery shortcomings and the inability of the municipality to properly fund such;
- c) The inability of the municipality to establish a Capital Replacement Reserve in order to provide financial leverage for non-cash items in the budget;
- d) Insufficient funding allocation for the rehabilitation and/or replacement of components that have reached the end of their design life;
- e) inadequate maintenance budgets, which could be attributed to the municipality's limited income base;

- f) The existing challenge with the Eskom debt resulting in the repayments being funded from a large percentage of anticipated cash flow, yet no current income receivable on these past sales of electricity;
- g) Inadequate inter departmental cooperation with the preparation and implementation of the budget.
- h) Failure to implement strategic plans developed for the improvement of the financial health of the municipality.
- i) Kannaland's outstanding creditor book due to previous financial challenges which the current budget must provide for;
- j) Nersa's directive that bulk purchases will increase by 9.4% for municipalities and municipal electricity tariff increase should not exceed 7.64%.

The 2015/16 adjustments budget in February 2016 again proved that the ability of Council to reduce costs is limited due to the fact that the fixed cost component of the operating budget exceeds the variable costs by far. The adjustments budget nonetheless defined the basis for the draft 2016/17 budget.

A strategy will be applied to revive the financial recovery plan, adopted by Council on the 6th of December 2013 and to ensure this continues implementation and maintenance thereof. Council is currently in partnership with Municipal Infrastructure Support Agency (MISA) to develop a credible revenue enhancement plan.

- The municipality needs to focus on its core functions. During the adjustments budget of 2016 the Budget Committee, Portfolio Councillors in conjunction with the Heads of Departments, scrutinised the budget to affect all possible savings;
- The need to maximise income through efficiencies and the way we do business was investigated before we decided to increase our rates, service charges and other tariffs;
- A revenue enhancement project was implemented to ensure that all consumers are billed correctly and are contributing to the municipality's income as set out in our tariff policy;
- A provision of R 7 200 000 was made for debtor's impairment in the operating budget. The writing off of irrecoverable debt will continue to be scrutinized through the business processes of the internal credit control unit. An internal credit control committee will be established to ensure that proper credit control measures are performed and to recommend the writing off of debt to council. Specific focus will be applied to the write off of indigent consumer debt of prior years.
- The municipality could never in the past realise a Capital Replacement Reserve due to previous financial limitations. The revenue enhancement plan will however include the establishment of a CRR to be funded from a vigorous collection process to be applied in respect of prior year's outstanding debt. This process will be phased in over the next three (3) years, with the amount for 2016/2017 estimated to be R5m.

- The capital contributions policy was reviewed to ensure that the municipality receives fair compensation from bulk capacity sold to bulk consumers;
- The municipality adopted a hands-on cash management approach through a newly established cash flow management committee. The municipality's cash management policy will be in effect as from 1 July 2015.
- No external loans will be sourced to fund capital projects. The capital acquisitions for 2016/2017 will be limited to the availability of cash funds.
- The municipality has implemented a process to ensure that all available National and Provincial Government Grants are accessed in order to service part of our capital program.
- The municipality is currently undertaking an internal land audit with the aim to identify properties which could be alienated, however the process is at the stage that any financial inflows will only be accounted for in the adjustments budget. These funds will be utilised to identify build the CRR.
- In spite of the abovementioned challenges, the budget task team managed to build the tariffs around the CPI inflation base on the macro economic performance for 2014/2015 to 2018/2019. They have further applied electricity increases to be in line with Eskom tariffs in line with NERSA and National Treasury guidelines as issued in the budget circulars.

Ladismith: Dam Relocation

Kannaland Municipality has commenced with the relocation of the Dam service.

The dam has the following potential for the municipality:

- The dam is designed to take up to 1 000 000m²;
- Water security for the municipality for 30 – 40 years;
- The dam could unlock Human Settlements Projects;
- Cost effective gravity feed and discharge pipeline;
- Have an integrated water management system with boreholes
- Potential expanding of industries
- Economic growth for Ladismith and creation of more jobs.
- Supply water to current water stressed areas such as Zoar and Van Wyksdorp;
- Supply water to farms thus ensuring food security for Ladismith;

The following key reporting has been to be completed for the project:

Report	Status
Technical Feasibility Report	Complete
Preliminary Design Report	Complete
Implementation Ready Report	Awaiting on input from DWS
Detail Design	waiting on input from DWS

Potential Socio Economic Impact:

- Expansion of Industries
 - Parmalat 25%
 - Ladismith 50 %
 - Southern Cape Vineyards 35%

Potential financial inflow of bulk consumers is estimated at R 1 760 000.00 per annum.

Ladismith: Water Waste Treatment Works / Upgrade and extend Waste Water Treatment Works

Report	Status
Scoping report	Complete
Technical Feasibility Report	Complete
EIA Report	Complete
Re-use Study Report	Complete
Final technical feasibility	Complete
Preliminary Design Report	Complete
First Draft Implementation Ready Report	Complete

The final design for the report has been completed construction to commence in May.

■

MFMA Circulars

National Treasury sent out MFMA Circular No. 78 on 7 December 2015 providing guidance to municipalities on their 2016/17 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular 79 was followed up by Circular no. 78 dated 7 March 2016. Circular No. 78 & 79 reminds us of the key focus areas for the 2016/17 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 58, 59, 66, 67, 70 and 72. It is essential reading material in order to understand the background to this budget.

National Treasury has also set out the requirements for funding the budget and producing a credible budget.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Kannaland municipality strongly thrived to achieve the outcomes as outlined by the above legislation however due to inherent financial and other constraints it is not always possible to ensure that budgeted inflows break even with budgeted inflows. Our 2016/2017 proposed budget is however an indication that we are closer to achieving this objective.

Under old budget formats a 'balanced' income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance (Income Statement), the Budgeted Statement of Financial Position (Balance Sheet) and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability and to ensure that the budget is funded.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- Items budgeted for should be restricted to key performance indicators identified in the IDP for that specific period. Care should be however taken that provision is only made provided sufficient funding is available.
- The budget should be achievable in terms of agreed service delivery and performance targets.
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
- The financial viability of the municipality should at all times be considered in deciding the inclusion or exclusion of the budget (affordability confirmed prior to inclusion); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

1.5 – Budget Overview of the 2015/16 MTREF

This section provides an overview of the Kannaland Municipality's 2016/17 to 2018/19 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of Kannaland Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Kannaland. Kannaland alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 79, the following headline inflation forecasts underpin the national 2016/17 Budget:

Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Estimate	Forecast		
Headline CPI Inflation	5,6%	5,4%	6,6%	6,2%	5,9%

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of

government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The budget process in Kannaland followed the requirements of the MFMA. A Table of key deadlines was tabled in Council by the Mayor in August 2015.

A budget task team was established to examine, review and prioritise budget proposals from departments.

For the 2016/2017 period, the Municipality is planning to spend R 54 589 850.00 on capital projects.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Draft Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

Table 1 – Consolidated Overview of the 2016/17 MTREF

	Budget Year 2016/17 R	Budget Year 2017/18	Budget Year 2018/19
Total revenue excluding capital transfers and contributions	129 280 965	131 073 601	141 856 150
Less: Total Expenditure	- 147 198 016	-149 789 831	-161 799 260
Surplus/(Deficit) before capital transfers and contributions	- 17 917 050	- 18 716 230	- 19 943 110
Plus: Capital transfers and contributions	54 479 850	69 540 650	52 938 850
Surplus/(Deficit) before appropriations	36 562 799	50 824 420	32 995 740

1.6 – Comments of Director Financial Services

Equitable share

Financial sustainability can only be achieved if the right balance is obtained between affordable cost covering tariffs and the financing of municipality's indigent households. The fact that the equitable share is only increased by R 550,000.00 (2.4% growth) from 2015-16 to 2016-17 to finance the indigent households is not assisting us in obtaining a financial sustainable platform. Taking into account the increase of the number of indigent households in the region of 40% over the last two years; increases in salaries of 7% and inflation rate of above 6%, we are not taken seriously by the National and Provincial Treasury. This matter should be addressed immediately.

Personeel vergoeding

Gegewe die huidige plaaslike en internasionale ekonomiese toestande, swak groei in die deernis allokasies, hoe werkloosheidsyfer, lae vlak van debiteure betalings, was die voorsiening van salaris begrotings allokasies 'n groot uitdaging.

Slegs voorsiening vir 'n 7% verhoging (R 1,7 m) vir permanente amptenare asook bonusse (R 1.9 m) vir permanente amptenare kon gemaak word. Kerfverhoging van R 342 000 is ook ingebring slegs vir permanente personeel. Vakante poste ten bedrae van R 1,3 m is voorsien op die 2016-17 begroting, wat insluit die tegniese hoof en die Brandweer hoof.

Geen ander aanpassings kon op die salaris begroting geakkomodeer word nie, weens beperkte bronne van inkomste.

Algemene uitgawes

Weens die feit dat die huidige begroting onder geweldige druk is, moes die begrotingskantoor algemene uitgawes tot die been sny. Aanvanklik was R 17 m begroot vir algemene uitgawes. Algemene uitgawes bedrae R 11 m in hierdie begroting.

Die volgende begrotings lyn items is tot die minimum beperk:

Regskostes	– R 400 000
S & T	– R 310 000
Petrol & Olie	– R 322 000
Telefoon koste	- R 222 000
Drukwerk & Skryfbehoeftes	– R 100 000

Die Raad en administrasie sal koste besparingsmaatreels moet implementeer om binne huidige begrotings allokasies te bly.

Calitzdorp SPA

Alhoewel die SPA op 'n medium tot lang termyn finansieel volhoubaar bestuur kan word, hou dit gewelpe korttermyn finansiële probleme vir Kannaland in, indien dit op 1

Julie 2016 oorgeneem gaan word, verval met die groot salaris las wat saam met die SPA na Kannaland Munisipaliteit oorgedra gaan word.

Brandweer Dienste

Die oorneem van hierdie diens vanaf Eden Distriksmunisipaliteit hou geweldige finansiële uitdagings vir Kannaland Munisipaliteit voor.

Alhoewel 'n heffing in die begroting ingewerk is, wat sal dien as bydrae tot hierdie diens, sal die invordering daarvan belemmer word deur geweldig baie navrae en opstand deur gebruikers. Hierdie aanname is gebaseer op ervaring wat opgedoen is die afgelope paar jaar.

Ongelukkig moes hierdie tarief daargestel word.

Klein Karoo Rural Water Supply Scheme

Die oorneem van hierdie water skema, sonder die voldoende impakstudies sal finansiël ramspoedig wees vir Kannaland Munisipaliteit. Gegewe die feit dat hierdie skema gebaseer is op meesal deernis en rural gebiede, maak dit net nie finansiële sin om hierdie funksie ook oor te neem nie. Daar moet oorweging geskenk word om eers fondse vanaf die Nasionale staatskis te verkry, alvorens hierdie funksie aan Kannaland oorgedra word.

Oudsthoorn Munisipaliteit kan ook nie net besluit om eensydig en onmiddelik hierdie funksie aan Kannaland Munisipaliteit oor te dra nie. Geen stawende en akkurate finansiële informasie is vanaf hierdie Munisipaliteit tot datum gekry nie. Geen voorsiening is dus in hierdie konsepbegroting gemaak vir hierdie funksie nie.

1.7 – Operating Revenue Framework

For Kannaland Municipality to continue maintaining / improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines, Circular No. 78 & 79;
- The municipality's Property Rates Policy;
- The municipality's Credit Control and Indigent Policy and rendering of free basic services;
- Tariff policy and structure;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Revenue enhancement plan.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Table 2 – Summary of revenue classified by main revenue source**WC041 Kannaland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard										
<i>Governance and administration</i>		118 675	155 315	146 148	30 969	33 659	33 659	25 335	27 074	28 875
Executive and council		118 675	155 315	146 148	7 121	7 141	7 141	2 701	2 937	3 189
Budget and treasury office		-	-	-	23 847	26 177	26 177	22 634	24 137	25 686
Corporate services		-	-	-	0	340	340	-	-	-
<i>Community and public safety</i>		-	-	-	13 885	14 561	14 561	16 367	12 588	16 199
Community and social services		-	-	-	2 536	3 233	3 233	3 787	4 588	4 850
Sport and recreation		-	-	-	4 039	18	18	20	21	22
Public safety		-	-	-	-	-	-	1 170	1 240	1 315
Housing		-	-	-	7 310	11 310	11 310	11 390	6 739	10 011
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	9 825	10 946	10 946	13 853	13 587	14 114
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	9 825	10 946	10 946	13 853	13 587	14 114
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	97 560	115 750	115 750	128 206	147 366	135 608
Electricity		-	-	-	43 719	48 135	48 135	63 525	63 283	62 066
Water		-	-	-	29 267	42 584	42 584	33 148	41 416	15 630
Waste water management		-	-	-	16 068	16 525	16 525	22 336	32 990	47 679
Waste management		-	-	-	8 506	8 506	8 506	9 197	9 676	10 233
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	118 675	155 315	146 148	152 239	174 917	174 917	183 761	200 614	194 795
Expenditure - Standard										
<i>Governance and administration</i>		108 003	157 907	131 221	53 516	55 790	55 790	46 307	48 874	52 130
Executive and council		108 003	157 907	131 221	20 127	20 872	20 872	16 558	17 039	18 180
Budget and treasury office		-	-	-	20 005	21 284	21 284	18 482	19 852	21 207
Corporate services		-	-	-	13 384	13 634	13 634	11 267	11 983	12 743
<i>Community and public safety</i>		-	-	-	13 302	17 907	17 907	18 417	14 771	18 528
Community and social services		-	-	-	3 605	4 210	4 210	5 467	6 377	6 759
Sport and recreation		-	-	-	937	937	937	650	690	732
Public safety		-	-	-	-	-	-	482	511	542
Housing		-	-	-	8 760	12 760	12 760	11 818	7 194	10 495
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	9 735	9 795	9 795	10 499	10 014	10 611
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	9 735	9 795	9 795	10 499	10 014	10 611
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	48 799	51 188	51 188	71 974	76 131	80 530
Electricity		-	-	-	32 489	34 534	34 534	40 551	42 887	45 360
Water		-	-	-	8 371	8 715	8 715	16 078	16 975	17 924
Waste water management		-	-	-	5 618	5 618	5 618	9 128	9 657	10 216
Waste management		-	-	-	2 320	2 320	2 320	6 218	6 612	7 031
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	108 003	157 907	131 221	125 352	134 679	134 679	147 198	149 790	161 799
Surplus/(Deficit) for the year		10 672	(2 592)	14 927	26 887	40 237	40 237	36 563	50 824	32 996

Revenue generated from property rates and service charges forms a significant percentage of the revenue source of the municipality and is not

linked to a specific expense but rather to operating and general expenditure. The above table takes into account revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality and also capital transfers and contributions.

The operating revenue increases from R 174 916 540 to R 183 760 820.

The increase in revenue is mainly due to:

- An increase in tariffs
- An increase in grant funding
- The Equitable Share allocation has increased (R22 391 000 – 2015/16 to R 22 940 000 – 2016/17);
- The implementation of GRAP 1 had an impact on the calculation for the proposed Fines income;

The following table provides a breakdown of the various grants allocated to Kannaland Municipality over the medium term:

Table 3 – Grants allocation

Local government allocations 2016/2017 - 2018/19			
	2016-2017	2017-2018	2018-2019
National Grants (DORA)	80 720 000,00	96 099 000,00	81 054 000,00
Equitable share	22 940 000,00	23 893 000,00	25 178 000,00
RBIG - Kannaland Dam Reallocation	19 167 000,00	26 654 000,00	
Municipal Infrastructure Grant	9 803 000,00	10 407 000,00	10 743 000,00
RGIB - LDS & CAL WWTW	10 000 000,00	20 000 000,00	33 937 000,00
Financial Management Grant (FMG)	1 810 000,00	2 145 000,00	2 400 000,00
Expanded Public Works Program (EPWP)	1 000 000,00		
Integrated Nat Electrification programme (Municipal)	16 000 000,00	13 000 000,00	8 796 000,00
Provincial Grants (GAZETTE)	13 775 000,00	9 307 000,00	12 820 000,00
Library Services Replacement Fund	1 900 000,00	2 014 000,00	2 135 000,00
Human Settlement Development Grant	11 380 000,00	6 728 000,00	10 000 000,00
Proclaimed Roads	50 000,00		
Financial Management Capacity Building	120 000,00	240 000,00	360 000,00
Thusong Centre - Operational Support Grant	212 000,00	212 000,00	212 000,00
CDW's	113 000,00	113 000,00	113 000,00
Other	-	-	-
Total Allocations	94 495 000,00	105 406 000,00	93 874 000,00

SERVICE CHARGES AND MISCELLANEOUS TARIFFS:

The following tariff increases are proposed:

- Electricity : 7.64% (Awaits NERSA approval)
- Water : 10%
- Rates : 8 %
- Refuse : 8 %
- Sewerage : 8 %
- Other : 8 %

TARIFF CHANGES SUGGESTED FOR 2016/17

Rates Tariffs

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

An increase of 8 % in rates income will be raised for 2016/17.

PROPERTY RATES IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004 (Act no. 6 2004), WILL BE LEVIED AS FOLLOWS:

A. PROPERTY RATES:

1.1 PROPERTY TAX ON ALL RESIDENTIAL PROPERTIES DESCRIBED IN SECTION 17(1)(h)(ii) OF ACT NO. 6 OF 2004 ARE AS FOLLOWS:

The tariff applied to the total valuation: R0,0121280

1.2 PROPERTY TAX ON ALL BUSINESS / INDUSTRIAL ZONED SITES ARE AS FOLLOWS:

The tariff applied to the total valuation: R0,0221290

1.3 PROPERTY TAX ON ALL AGRICULTURE AND PUBLIC SERVICE INFRASTRUCTURE ARE AS FOLLOWS:

The tariff applied to the total valuation: R0.0030337

1.4 PROPERTY TAX ON ALL GUESTHOUSES ARE AS FOLLOWS:

The tariff applied to the total valuation: R0,0151572

1.5 **PROPERTY TAX ON ALL SPAZA SHOPS ARE AS FOLLOWS:**

The tariff applied to the total valuation: R0,0127336

1.6 **PROPERTY TAX ON ALL PUBLIC BENEFIT ORGANISATION PROPERTIES ARE AS FOLLOWS:**

The tariff applied to the total valuation: R0.0024270

2. **THE FOLLOWING EXCLUSIONS / EXEMPTIONS / REBATES ON PROPERTY RATES WILL BE GRANTED:**

2.1 **EXCLUSION OF IMPERMISSIBLE RATES**

In terms of Section 17 of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004) a Municipality may not levy a rate

2.1.1 on those parts of a nature reserve, national park or nature reserve within the meaning of the Protected Areas Act;

2.1.2 on the first R15 000.00 of the market value of a property assigned in the valuation or supplementary roll to a category determined by the Municipality:
(i) for improved residential properties;
(ii) for properties used for multiple purposes;

2.1.3 on a property registered in the name of and used primarily as a place of public worship, including an official residence which is occupied by an office-bearer.

2.2 **REBATE IN RESPECT OF ZONING**

2.2.1 Sites zoned for residential purposes and used for residential purposes only and of which the total valuation is R70 000.00 or less, will automatically be exempt from property rates;

2.2.2 Regarding sites zoned for improved residential purposes and used for improved residential purposes only and of which the valuation is R70 001.00 or more no exemption as stipulated in 2.2.1 above will apply. Section 2.1.3 will apply in these circumstances where an impermissible exclusion will be awarded on the first R15 000.00 of the valuation of the property.

2.3 **REBATE IN RESPECT OF PENSIONERS**

With regard to paragraph 2.2.2 a 30% additional rebate will be granted to persons at the age of 60 years and older.

For the purposes of 2.3 a ratepayer will be defined as follows: “A registered owner of rateable property who inhabits and controls the property and is responsible for the payment of rates on the property”;

2.4 **REBATE IN RESPECT OF AGRICULTURAL AND PUBLIC SERVICE INFRASTRUCTURE PROPERTIES**

2.4.1 A rebate of 75% on rates (refer to 1.3) will be granted in respect of properties which are zoned and used for agricultural purposes;

2.4.2 A rebate of 75% on rates (refer to 1.3) will be granted in respect of properties which are zoned for public service infrastructure

2.4.3 No rebate on rates will be granted to businesses operating on agricultural properties.

2.4.4 The rebate granted to agricultural properties will be equal to seventy five percent (75%) of the rate payable by other rate payers. The differential rate will be calculated as follows:

- (a) a 5% differential due to the fact that the municipality does not provide municipal roads;
- (b) a 5% differential due to the fact that the municipality does not provide sewerage services;
- (c) a 5% differential due to the fact that the municipality does not provide electricity services;
- (d) a 10% differential due to the fact that the municipality does not provide water services;
- (e) a 10% differential due to the fact that the municipality does not provide refuse removal services,
- (f) a 10% differential due to the fact that the farm owner supplies 1 to 10 houses to farm workers.
- (g) a 20 differential due to the fact that the farm owner supplies more than 10 houses to farm workers.
- (h) a 10% differential due to the fact that the owner supplies work opportunities for less than 10 permanent workers.
- (l) a 20% differential due to the fact that the farm owner supplies work opportunities for more than 10 permanent farm workers.

1.) ONLY ONE OF (F) & (G) CAN BE APPLICABLE

2.) ONLY ONE OF (H) & (I) CAN BE APPLICABLE

2.5 REBATE FOR PROPERTY TO SOCIAL-ECONOMIC ORGANISATIONS.

2.5.1 A rebate of 80% on rates will be granted to social-economic organisations based on the tariff applicable in the Kannaland area as outlined in section 1.6 above. But only when a tax certificate is provided.

4. EFFECTIVE DATE AND LAPSING

The above-mentioned property rates will become payable as from 1 July 2016. The above-mentioned property rates are levied for the Municipality's financial year ending on 30 June 2017, whereupon they will lapse and be replaced by new property rates determined by the Municipality's Municipal Council for the Municipality's financial year starting on 1 July 2017 and ending on 30 June 2018.

Table 4 – Comparison of proposed rates to be levied for the 2016/17 financial year

Category	CURRENT TARRIFF (1 July 2015) cent	PROPOSED TARRIFF (from July 2016) cent
Residential	0,011230	0,0121280
Old age homes	0,002247	0,0024270
Guesthouses	0,014034	0,0151572
Spaza shops (residential + 5%)	0,011790	0,0127336
Agricultural	0,002809	0,0030337
Business	0,020490	0,0221290

Water Tariffs

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. The situation is further influenced by the droughts experienced in the surrounding areas. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

During the tariff modelling exercise it was acknowledge that the basic charge for water does not cover the basic cost for the water service and that the structure needs to be changed and remodelled in future budgets.

A tariff increase of 10% from 1 July 2016 for water is proposed. In addition 6kl water per 30-day period will be granted free of charge to indigent households only. The tariff structure is designed to charge higher levels of consumption at a higher rate per kilolitre. With certain consumers paying an average fixed rate for water, these consumers include:

- Industries
- Large Businesses and B& B's
- Social and Services Institutions
- Old age home and frail care centres
- Churches, schools, hostels and Clubs
- Stand Pipe Consumers

A summary of the proposed tariffs for households (residential) and non-residential in Kannaland are as follows:

Table 5 – Proposed Water Tariffs

CATEGORY	CURRENT TARRIFF (2015/2016)	PROPOSED TARRIFF (2016/2017)
	Rand per kl	Rand per kl
RESIDENTIAL		
(i) 0 to 6 kl per 30 -day period	3,97	4,37
(ii) 7 to 15 kl per 30 -day period	4,54	4,99
(iii) 16 to 20 kl per 30 -day period	7,15	7,86
(iv) 21 to 30 kl per 30 -day period	8,51	9,36
(iv) above 30 kl per 30 -day period	9,98	10,98
NON-RESIDENTIAL		
Industries	8,51	9,36
Large Business and Guesthouses	7,37	8,11
Social and Services Institutions	5,90	6,49
Old Age Home and Frail Care Centres	5,90	6,49
Churches, Schools, Hostels and Clubs	5,90	6,49
Stand pipe consumers	5,90	6,49

Electricity Tariffs

The proposed municipal electrical tariff increase is 7.64% whereas the prescribed tariff according to NERSA's guideline is 7.64%. According to NERSA certain of the municipality's electricity tariffs are too high and thus the reason why the increase is below the prescribed increase.

The municipality applies a seasonal tariff to the electricity usage thus an increased tariff is applied for the winter periods.

The following table shows the impact of the proposed increases in electricity tariffs on the domestic customers:

**Table 6 – Comparison between current electricity charges and increases
Domestic – Single phase consumer: one part Pre-Paid (VAT exclusive)**

Summer Tariffs

Monthly consumption kWh	Current amount payable R 1,19 c / R1.37 per unit	Proposed amount payable 1,29 / 1.48 per unit	Difference (Increase)
0 – 600 kWh	R 714	R 774	R 60
>600kWh (100 units)	R 137	R148	R 11

Winter Tariffs

Monthly consumption kWh	Current amount payable 1,42 c /1.57c unit R	Proposed amount payable 1,53 c /1.69c unit R	Difference (Increase)
0 – 600 kWh	R 852	R 918	R 66
>600kWh (100 units)	R 157	R 169	R 12

Free 50kWh electricity per month is awarded to households who qualify in terms of municipality's Indigent Policy.

Sanitation tariffs

A tariff increase of 8 % for sanitation from 1 July 2016 is proposed.

The following table compares the current and proposed tariffs:

Table 7 – Comparison between current sanitation charges and increases

Description	CURRENT TARIFF 2015/2016 Rand per year	PROPOSED TARIFF 2016/17 Rand per year	DIFFERENCE R	% INCREASE
Residential Unit p/a	R 1 780,80	R1 923.24	R 142.44	8%
Residential Old Age Unit p/a	R 1293.00	R 1 396.44	R 103.44	8%

Waste Removal tariff

A 8 % increase in the waste removal tariff is proposed from 1 July 2016.

Table 8 – Comparison between current waste fees and increases for a single dwelling-house

Description	CURRENT TARIFF 2015/2016 Rand per year	PROPOSED TARIFF 2016/17 Rand per year	DIFFERENCE R	% INCREASE
Small Businesses	R 2 292,12	R 2 475.48	R 183.36	8%
Businesses	R 2 292,12	R 2 475.48	R 183.36	8%
Hotels B&B's and Self Catering	R 2 313,72	R 2 498.76	R 185.04	8%
Old Age Homes and Frail Care centres	R 1 851.00	R 1 999.08	R 148.08	8%

Table 9 – Indigent household rebates

Description	2015/16 R	2016/2017 R
Electricity (50 units) - Summer	R 64.50	R 76.50
Electricity (50 units) - Winter	R74.00	R 84.50
Water (basic charge)	R 66,52	R 73,17
Sanitation (basic charge)	R 148,40	R 160.27
Refuse (basic charge)	R 154,25	R 166.59
Total	R 507.67	R 561.03

Table 10 – Indigent households 60% rebate

Description	2015/16 R	2016/17 R
Electricity (50 units) – Summer	R 64.50	R 76.50
Electricity (50 units) - Winter	R 74,00	R 84.50
Water (basic charge)	-	-
Sanitation (basic charge)	R 59.36	R 64.11
Refuse (basic charge)	R 61.70	R 66.64
Total	R 259.56	R 291 .75

Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on a large and small household, as well as an indigent household receiving free basic services.

It needs to be noted that the majority of indigent households in Kannaland are situated in the affordable house areas. The valuation of these houses is below R120 000 and due to rebates do not pay property rates.

Indigent households receive a discount on their services equal to the basic charge for water plus 6kl water free, 50kwh electricity units, the monthly levy for refuse and sanitation.

Table 11 – MBRR Table SA14 – Household bills

WC041 Kannaland - Supporting Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		568.95	625.81	604.74	641.02	641.02	641.02		692.31	733.85	777.88
Electricity : Basic levy		–	–	–	–	–	–				
Electricity : Consumption		1 008.32	1 036.00	1 124.00	1 262.00	1 262.00	1 262.00		1 594.00	1 689.64	1 791.02
Water: Basic levy		22.90	59.20	62.75	66.52	66.52	66.52		73.17	77.56	82.21
Water: Consumption		152.10	163.50	175.02	185.53	185.53	185.53		204.03	216.27	229.25
Sanitation		109.20	110.20	140.00	148.40	148.40	148.40		160.27	169.89	180.08
Refuse removal		91.00	136.00	145.52	154.25	154.25	154.25		166.59	176.59	187.18
Other										–	–
sub-total		1 952.47	2 130.71	2 252.03	2 457.72	2 457.72	2 457.72	17.6%	2 890.37	3 063.79	3 247.62
VAT on Services									404.65	428.93	454.67
Total large household bill:		1 952.47	2 130.71	2 252.03	2 457.72	2 457.72	2 457.72	34.1%	3 295.02	3 492.72	3 702.28
% increase/-decrease			9.1%	5.7%	9.1%	–	–		34.1%	6.0%	6.0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		402.83	443.09	428.17	453.86	453.86	453.86		490.17	519.58	550.76
Electricity : Basic levy		–	–	–	–	–	–				
Electricity : Consumption		388.25	441.00	477.00	535.50	535.50	535.50		765.00	810.90	859.55
Water: Basic levy		13.74	35.52	37.65	39.91	39.91	39.91		73.17	77.56	82.21
Water: Consumption		95.80	105.00	112.37	119.16	119.16	119.16		157.23	166.66	176.66
Sanitation		54.60	81.60	87.31	92.55	92.55	92.55		160.27	169.89	180.08
Refuse removal		65.52	66.12	84.00	89.04	89.04	89.04		166.59	176.59	187.18
Other										–	–
sub-total		1 020.74	1 172.33	1 226.50	1 330.02	1 330.02	1 330.02	36.3%	1 812.43	1 921.18	2 036.45
VAT on Services									253.74	268.97	285.10
Total small household bill:		1 020.74	1 172.33	1 226.50	1 330.02	1 330.02	1 330.02	55.3%	2 066.17	2 190.14	2 321.55
% increase/-decrease			14.9%	4.6%	8.4%	–	–		55.3%	6.0%	6.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		236.72	260.37	251.61	266.70	266.70	266.70		288.04	305.32	323.64
Electricity : Basic levy		–	–	–	–	–	–				
Electricity : Consumption		238.35	343.00	371.00	416.50	416.50	416.50		459.00	486.54	515.73
Water: Basic levy		–	–	–	–	–	–			–	–
Water: Consumption		59.30	67.50	72.22	76.61	76.61	76.61		84.21	89.26	94.62
Sanitation		–	–	–	–	–	–			–	–
Refuse removal		–	–	–	–	–	–			–	–
Other										–	–
sub-total		534.37	670.87	694.83	759.81	759.81	759.81	9.4%	831.25	881.13	933.99
VAT on Services								#NAME?	116.38	123.36	130.76
Total small household bill:		534.37	670.87	694.83	759.81	759.81	759.81	24.7%	947.63	1 004.48	1 064.75
% increase/-decrease			25.5%	3.6%	9.4%	–	–		24.7%	6.0%	6.0%

1.8 – Operating Expenditure Framework

The expenditure framework for the 2016/17 budget and MTREF is informed by the guidelines of National Treasury.

The following table is a summary of the 2016/17 MTREF (classified by main expenditure types):

Summary of operating expenditure by type

The operating expenditure has increased from R 134 679 308 in 2015/16 to R 147 198 050 in 2016/17. The increase can be attributed to increases and decreases on several expenditure components.

Reasons for significant cost variances:

- Debt impairment – The calculation is based on the 2015/16 payment ratios and also the current economic climate in Kannaland and the implementation of GRAP1 (accounting for the impairment of traffic fines).
- Bulk purchases – The increase is based on the tariff for bulk purchases as set out by NERSA.
- Contracted Services – The budget for contracted services has increased due to the operational expenditure on Housing Projects (R18 million) and the GIPTN R32.5 million.

Table 12 – Repairs and maintenance per asset by class

WC041 Kannaland - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	1 536	1 402	1 402	4 296	4 554	4 827
Infrastructure - Road transport		-	-	-	351	406	406	-	-	-
Roads, Pavements & Bridges					351	406	406	-	-	-
Storm water								-	-	-
Infrastructure - Electricity		-	-	-	300	446	446	2 064	2 188	2 319
Generation								-	-	-
Transmission & Reticulation					300	446	446	2 000	2 120	2 247
Street Lighting								64	68	72
Infrastructure - Water		-	-	-	615	350	350	1 265	1 341	1 422
Dams & Reservoirs					32	32	32	65	69	74
Water purification					-	-	-	-	-	-
Reticulation					583	318	318	1 200	1 272	1 348
Infrastructure - Sanitation		-	-	-	270	200	200	420	445	472
Reticulation					150	120	120	276	293	310
Sewerage purification					120	80	80	144	153	162
Infrastructure - Other		-	-	-	-	-	-	547	580	615
Waste Management								-	-	-
Transportation	2							-	-	-
Gas								-	-	-
Other	3							547	580	615
Community		-	-	-	-	-	-	182	572	606
Parks & gardens								-	-	-
Sportsfields & stadia								-	-	-
Swimming pools								-	-	-
Community halls								-	-	-
Libraries								-	-	-
Recreational facilities								-	-	-
Fire, safety & emergency								-	-	-
Security and policing								-	-	-
Buses	7							-	-	-
Clinics								-	-	-
Museums & Art Galleries								-	-	-
Cemeteries								-	-	-
Social rental housing	8							-	-	-
Other								182	572	606
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2 311	96	-	1 813	2 523	2 523	2 699	2 861	3 033
General vehicles					435	660	660	983	1 042	1 104
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment					-	-	-	-	-	-
Computers - hardware/equipment					-	-	-	-	-	-
Furniture and other office equipment					115	238	238	124	132	139
Abattoirs					-	-	-	-	-	-
Markets					-	-	-	-	-	-
Civic Land and Buildings					-	-	-	-	-	-
Other Buildings					681	1 170	1 170	-	-	-
Other Land					-	-	-	764	810	859
Surplus Assets - (Investment or Inventory)					-	-	-	-	-	-
Other		2 311	96		582	455	455	828	878	931
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	2 311	96	-	3 349	3 925	3 925	7 177	7 987	8 467

1.9 – Capital Budget

The capital budget increased from R 42 464 085 (2015/16) to R 54 589 850 in 2016/17.

The Budget Committee went through several stages of prioritising the capital budget to contain the budget within the available funding.

This capital budget has been compiled with due consideration to the direct impact that it would have on the operating budget and our cash position where projects are to be funded solely from internal sources and not external borrowings.

With the current financial constraints that exist on budget it was decided to not obtain external funding for capital projects.

The capital budget reflects the following budget allocation to the various Departments and reflects the strategic priorities outlined in the IDP.

Capital Expenditure - Standard											
Governance and administration	-	-	-	5 882	3 482	3 482	3 482	110	64	67	
Executive and council				540	540	540	540	-	-	-	
Budget and treasury office				30	1 430	1 430	1 430	60	64	67	
Corporate services				5 312	1 512	1 512	1 512	50	-	-	
Community and public safety	-	-	-	-	-	-	-	-	-	-	
Community and social services				-				-	-	-	
Sport and recreation				-				-	-	-	
Public safety				-				-	-	-	
Housing				-				-	-	-	
Health				-				-	-	-	
Economic and environmental services	-	-	-	3 244	4 685	4 685	4 685	9 313	9 887	10 206	
Planning and development				-	-	-	-	-	-	-	
Road transport				3 244	4 685	4 685	4 685	9 313	9 887	10 206	
Environmental protection				-	-	-	-	-	-	-	
Trading services	-	-	-	21 419	34 297	34 297	34 297	45 167	59 654	42 733	
Electricity				3 080	3 080	3 080	3 080	16 000	13 000	8 796	
Water				15 309	27 740	27 740	27 740	19 167	26 654	-	
Waste water management				3 000	3 447	3 447	3 447	10 000	20 000	33 937	
Waste management				30	30	30	30	-	-	-	
Other				-	-	-	-	-	-	-	
Total Capital Expenditure - Standard	3	-	-	-	30 545	42 464	42 464	42 464	54 590	69 604	53 006

Table 13 – Capital budget by department

WC041 Kannaland - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Funded by:											
National Government					25 658	17 846	17 846	17 846	54 480	69 541	52 939
Provincial Government					-	-	-	-	-	-	-
District Municipality					-	-	-	-	-	-	-
Other transfers and grants					3 007	20 338	20 338	20 338	-	-	-
Transfers recognised - capital	4	-	-	-	28 665	38 184	38 184	38 184	54 480	69 541	52 939
Public contributions & donations	5				-	-	-	-	-	-	-
Borrowing	6				-	1 400	1 400	1 400	-	-	-
Internally generated funds					1 880	2 880	2 880	2 880	110	64	67
Total Capital Funding	7	-	-	-	30 545	42 464	42 464	42 464	54 590	69 604	53 006

Table 14 – Capital funding by source (As Above)**Internal Funding**

One of the main challenges impacting on the capital budget is the inadequate contributions to the Capital Replacement Reserve (CRR) for previous years as well as the current budget year. This situation emphasises the need to expand the municipality's current income base through exploring other income sources. The Budget Committee re-affirmed the need for revenue enhancement measures in order to broaden the income base.

No contributions were made to the CRR in the February 2016 Adjustments Budget from the working capital.

Currently the municipality is not providing for any contributions to the CRR. Should the municipality find itself in the position where surpluses exists adjustments can be made later in the year during the adjustment budget process.

The budget task team went through a process of tariff modelling and realised that additional income had to be generated over and above the annual increase in tariffs to fund its asset renewal programme. The master plans for the core services indicate that urgent upgrading and renewal need to be done to the infrastructure.

The increase in human settlements development is putting further strain on the bulk services. The Municipal Infrastructure Grant is not matching this increase in demand.

Although the budgeted income and expenditure are realistically anticipated, the situation regarding the available internal funds will be monitored closely, and expenditure on capital projects linked to the CRR will be managed according to the available cash.

External Funding

The task team has reconfirmed its commitment not to rely on external funding to fund the capital budget due to the financial constraints that exist. The planned provision made within this budget for external funds for 2016/17

1.10 – Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

Narrative will only be provided at certain tables to clarify certain aspects otherwise it will be a repetition of what has already been documented.

Table 16 – A1: Budget Summary

Table 17 – A2: Budgeted Financial Performance by standard classification

Table 18 – A3: Budgeted Financial Performance by municipal vote

Table 19 – A4: Budgeted Financial Performance by revenue source

Table 20 – A5: Budgeted Capital Expenditure by vote, standard classification and funding

Table 21 – A6: Budgeted Financial Position

Table 22 – A7: Budgeted Cash Flow

Table 23 – A8: Cash backed reserve/accumulated surplus reconciliation

Table 24 – A9: Asset Management

Table 25 – A10: Basic service delivery measurement

Kannaland Municipality – 2016/17 Annual Budget and MTREF

WC041 Kannaland - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	8 790	11 632	13 135	14 032	14 032	14 032	14 032	15 064	15 968	16 926
Service charges	44 894	53 462	58 439	59 347	64 489	64 489	64 489	66 694	70 696	74 938
Investment revenue	997	1 637	966	400	280	280	280	70	74	79
Transfers recognised - operational	25 425	36 949	28 884	35 899	42 953	42 953	42 953	40 015	35 865	40 935
Other own revenue	4 409	18 920	12 274	13 896	14 978	14 978	14 978	7 438	8 471	8 979
Total Revenue (excluding capital transfers and contributions)	84 514	122 600	113 699	123 574	136 732	136 732	136 732	129 281	131 074	141 856
Employee costs	32 995	44 180	43 719	46 702	46 960	46 960	46 960	50 597	53 789	57 192
Remuneration of councillors	2 801	2 739	2 663	2 891	2 891	2 891	2 891	2 926	3 101	3 288
Depreciation & asset impairment	8 259	18 708	13 432	9 723	9 723	9 723	9 723	12 766	13 632	14 450
Finance charges	3 676	4 792	4 114	1 031	2 259	2 259	2 259	1 147	1 007	848
Materials and bulk purchases	20 747	25 658	25 596	29 842	30 418	30 418	30 418	30 720	32 563	34 517
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	39 525	61 830	41 697	35 163	42 428	42 428	42 428	49 042	45 697	51 505
Total Expenditure	108 003	157 907	131 221	125 352	134 679	134 679	134 679	147 198	149 790	161 799
Surplus/(Deficit)	(23 489)	(35 306)	(17 522)	(1 778)	2 053	2 053	2 053	(17 917)	(18 716)	(19 943)
Transfers recognised - capital	34 160	32 714	32 449	28 665	38 184	38 184	38 184	54 480	69 541	52 939
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996
Capital expenditure & funds sources										
Capital expenditure	-	-	-	30 545	42 464	42 464	42 464	54 590	69 604	53 006
Transfers recognised - capital	-	-	-	28 665	38 184	38 184	38 184	54 480	69 541	52 939
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	1 400	1 400	1 400	-	-	-
Internally generated funds	-	-	-	1 880	2 880	2 880	2 880	110	64	67
Total sources of capital funds	-	-	-	30 545	42 464	42 464	42 464	54 590	69 604	53 006
Financial position										
Total current assets	33 269	25 325	40 537	25 674	25 674	25 674	25 674	58 403	41 871	25 622
Total non current assets	236 049	260 087	293 454	257 485	257 485	257 485	257 485	340 483	409 158	461 346
Total current liabilities	50 235	59 802	69 330	41 292	41 643	41 643	41 643	42 814	1 548	1 665
Total non current liabilities	19 270	22 293	46 417	32 345	41 045	41 045	41 045	14 787	6 198	5 203
Community wealth/Equity	199 813	203 317	218 244	209 522	200 471	200 471	200 471	341 285	443 282	480 100
Cash flows										
Net cash from (used) operating	29 003	18 838	30 886	23 010	38 694	38 694	38 694	54 814	70 095	54 836
Net cash from (used) investing	(21 303)	(27 237)	(27 994)	-	(38 410)	(38 410)	(38 410)	(54 590)	(69 604)	(53 006)
Net cash from (used) financing	1 103	419	(575)	(685)	6 979	6 979	6 979	(991)	(1 040)	(1 123)
Cash/cash equivalents at the year end	9 410	1 430	3 747	14 972	7 841	7 841	7 841	(189)	(738)	(32)
Cash backing/surplus reconciliation										
Cash and investments available	13 454	6 016	8 958	6 745	6 745	6 745	6 745	5 126	4 577	5 283
Application of cash and investments	25 697	38 604	41 433	22 399	22 841	22 841	22 841	(16 711)	(39 689)	(23 896)
Balance - surplus (shortfall)	(12 244)	(32 588)	(32 475)	(15 654)	(16 096)	(16 096)	(16 096)	21 836	44 266	29 179
Asset management										
Asset register summary (WDV)	232 005	255 501	293 454	252 170	252 170	252 170	335 168	335 168	403 843	456 031
Depreciation & asset impairment	8 259	18 708	13 432	9 723	9 723	9 723	12 766	12 766	13 632	14 450
Renewal of Existing Assets	-	-	-	7 772	18 955	18 955	18 955	-	-	-
Repairs and Maintenance	2 311	96	-	3 349	3 925	3 925	7 177	7 177	7 987	8 467
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	10 562	10 562	11 196	11 868
Revenue cost of free services provided	-	-	-	10 516	10 516	10 516	3 294	3 294	3 492	3 701
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

WC041 Kannaland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		118 675	155 315	146 148	30 969	33 659	33 659	25 335	27 074	28 875
Executive and council		118 675	155 315	146 148	7 121	7 141	7 141	2 701	2 937	3 189
Budget and treasury office		-	-	-	23 847	26 177	26 177	22 634	24 137	25 686
Corporate services		-	-	-	0	340	340	-	-	-
<i>Community and public safety</i>		-	-	-	13 885	14 561	14 561	16 367	12 588	16 199
Community and social services		-	-	-	2 536	3 233	3 233	3 787	4 588	4 850
Sport and recreation		-	-	-	4 039	18	18	20	21	22
Public safety		-	-	-	-	-	-	1 170	1 240	1 315
Housing		-	-	-	7 310	11 310	11 310	11 390	6 739	10 011
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	9 825	10 946	10 946	13 853	13 587	14 114
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	9 825	10 946	10 946	13 853	13 587	14 114
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	97 560	115 750	115 750	128 206	147 366	135 608
Electricity		-	-	-	43 719	48 135	48 135	63 525	63 283	62 066
Water		-	-	-	29 267	42 584	42 584	33 148	41 416	15 630
Waste water management		-	-	-	16 068	16 525	16 525	22 336	32 990	47 679
Waste management		-	-	-	8 506	8 506	8 506	9 197	9 676	10 233
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	118 675	155 315	146 148	152 239	174 917	174 917	183 761	200 614	194 795
Expenditure - Standard										
<i>Governance and administration</i>		108 003	157 907	131 221	53 516	55 790	55 790	46 307	48 874	52 130
Executive and council		108 003	157 907	131 221	20 127	20 872	20 872	16 558	17 039	18 180
Budget and treasury office		-	-	-	20 005	21 284	21 284	18 482	19 852	21 207
Corporate services		-	-	-	13 384	13 634	13 634	11 267	11 983	12 743
<i>Community and public safety</i>		-	-	-	13 302	17 907	17 907	18 417	14 771	18 528
Community and social services		-	-	-	3 605	4 210	4 210	5 467	6 377	6 759
Sport and recreation		-	-	-	937	937	937	650	690	732
Public safety		-	-	-	-	-	-	482	511	542
Housing		-	-	-	8 760	12 760	12 760	11 818	7 194	10 495
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	9 735	9 795	9 795	10 499	10 014	10 611
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	9 735	9 795	9 795	10 499	10 014	10 611
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	48 799	51 188	51 188	71 974	76 131	80 530
Electricity		-	-	-	32 489	34 534	34 534	40 551	42 887	45 360
Water		-	-	-	8 371	8 715	8 715	16 078	16 975	17 924
Waste water management		-	-	-	5 618	5 618	5 618	9 128	9 657	10 216
Waste management		-	-	-	2 320	2 320	2 320	6 218	6 612	7 031
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	108 003	157 907	131 221	125 352	134 679	134 679	147 198	149 790	161 799
Surplus/(Deficit) for the year		10 672	(2 592)	14 927	26 887	40 237	40 237	36 563	50 824	32 996

WC041 Kannaland - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Council		118 675	155 315	146 148	7 121	7 141	7 141	2 701	2 937	3 189
Vote 2 - Corporate Services		-	-	-	18 929	19 625	19 625	17 925	13 653	17 328
Vote 3 - Financial Services		-	-	-	23 847	26 177	26 177	22 634	24 137	25 686
Vote 4 - Technical Services		-	-	-	102 341	121 973	121 973	139 059	157 773	146 351
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	1 442	2 115	2 242
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	118 675	155 315	146 148	152 239	174 917	174 917	183 761	200 614	194 795
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		108 003	157 907	131 221	20 127	20 872	20 872	16 558	17 039	18 180
Vote 2 - Corporate Services		-	-	-	29 463	34 318	34 318	31 038	27 605	32 182
Vote 3 - Financial Services		-	-	-	20 005	21 284	21 284	18 482	19 852	21 207
Vote 4 - Technical Services		-	-	-	55 757	58 206	58 206	79 678	83 178	87 988
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	1 442	2 115	2 242
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	108 003	157 907	131 221	125 352	134 679	134 679	147 198	149 790	161 799
Surplus/(Deficit) for the year	2	10 672	(2 592)	14 927	26 887	40 237	40 237	36 563	50 824	32 996

Kannaland Municipality – 2016/17 Annual Budget and MTREF

WC041 Kannaland - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Property rates	2	8 790	11 632	13 135	14 032	14 032	14 032	14 032	15 064	15 968	16 926
Property rates - penalties & collection charges									-	-	-
Service charges - electricity revenue	2	33 437	34 708	34 658	35 512	39 369	39 369	39 369	42 580	45 135	47 843
Service charges - water revenue	2	4 199	10 066	13 775	10 783	12 069	12 069	12 069	10 970	11 628	12 326
Service charges - sanitation revenue	2	3 979	4 146	5 161	8 330	8 330	8 330	8 330	7 820	8 290	8 787
Service charges - refuse revenue	2	3 279	4 543	4 846	4 722	4 722	4 722	4 722	5 324	5 643	5 982
Service charges - other					-	-	-	-	-	-	-
Rental of facilities and equipment					532	532	532	532	170	180	191
Interest earned - external investments		997	1 637	966	400	280	280	280	70	74	79
Interest earned - outstanding debtors		1 594	3 557	4 649	2 294	2 294	2 294	2 294	1 170	1 240	1 315
Dividends received					-	-	-	-	-	-	-
Fines		704	3 371	696	3 627	3 657	3 657	3 657	2 002	2 122	2 249
Licences and permits		313	411	267	556	393	393	393	280	297	315
Agency services		585	682	734	876	689	689	689	700	742	787
Transfers recognised - operational		25 425	36 949	28 884	35 899	42 953	42 953	42 953	40 015	35 865	40 935
Other revenue	2	1 213	10 850	5 118	6 012	3 360	3 360	3 360	3 116	3 889	4 123
Gains on disposal of PPE			49	811		4 054	4 054	4 054	-	-	-
Total Revenue (excluding capital transfers and contributions)		84 514	122 600	113 699	123 574	136 732	136 732	136 732	129 281	131 074	141 856
Expenditure By Type											
Employee related costs	2	32 995	44 180	43 719	46 702	46 960	46 960	46 960	50 597	53 789	57 192
Remuneration of councillors		2 801	2 739	2 663	2 891	2 891	2 891	2 891	2 926	3 101	3 288
Debt impairment	3	4 627	15 495	7 123	1 666	1 666	1 666	1 666	15 067	15 984	16 955
Depreciation & asset impairment	2	8 259	18 708	13 432	9 723	9 723	9 723	9 723	12 766	13 632	14 450
Finance charges		3 676	4 792	4 114	1 031	2 259	2 259	2 259	1 147	1 007	848
Bulk purchases	2	20 747	25 658	25 596	26 493	26 493	26 493	26 493	30 720	32 563	34 517
Other materials	8				3 349	3 925	3 925	3 925	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	34 898	46 334	34 574	33 497	40 762	40 762	40 762	33 975	29 714	34 550
Loss on disposal of PPE											
Total Expenditure		108 003	157 907	131 221	125 352	134 679	134 679	134 679	147 198	149 790	161 799
Surplus/(Deficit)											
		(23 489)	(35 306)	(17 522)	(1 778)	2 053	2 053	2 053	(17 917)	(18 716)	(19 943)
Transfers recognised - capital		34 160	32 714	32 449	28 665	38 184	38 184	38 184	54 480	69 541	52 939
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996
Taxation											
Surplus/(Deficit) after taxation		10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996

Kannaland Municipality – 2016/17 Annual Budget and MTREF

WC041 Kannaland - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Council		-	-	-	540	540	540	-	-	-	-
Vote 2 - Corporate Services		-	-	-	5 312	1 512	1 512	-	50	-	-
Vote 3 - Financial Services		-	-	-	30	1 430	1 430	-	60	64	67
Vote 4 - Technical Services		-	-	-	24 663	38 982	38 982	-	54 480	69 541	52 939
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	30 545	42 464	42 464	-	54 590	69 604	53 006
Total Capital Expenditure - Vote		-	-	-	30 545	42 464	42 464	-	54 590	69 604	53 006
Capital Expenditure - Standard											
Governance and administration		-	-	-	5 882	3 482	3 482	3 482	110	64	67
Executive and council					540	540	540	540	-	-	-
Budget and treasury office					30	1 430	1 430	1 430	60	64	67
Corporate services					5 312	1 512	1 512	1 512	50	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services					-	-	-	-	-	-	-
Sport and recreation					-	-	-	-	-	-	-
Public safety					-	-	-	-	-	-	-
Housing					-	-	-	-	-	-	-
Health					-	-	-	-	-	-	-
Economic and environmental services		-	-	-	3 244	4 685	4 685	4 685	9 313	9 887	10 206
Planning and development					-	-	-	-	-	-	-
Road transport					3 244	4 685	4 685	4 685	9 313	9 887	10 206
Environmental protection					-	-	-	-	-	-	-
Trading services		-	-	-	21 419	34 297	34 297	34 297	45 167	59 654	42 733
Electricity					3 080	3 080	3 080	3 080	16 000	13 000	8 796
Water					15 309	27 740	27 740	27 740	19 167	26 654	-
Waste water management					3 000	3 447	3 447	3 447	10 000	20 000	33 937
Waste management					30	30	30	30	-	-	-
Other					-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	-	-	30 545	42 464	42 464	42 464	54 590	69 604	53 006
Funded by:											
National Government					25 658	17 846	17 846	17 846	54 480	69 541	52 939
Provincial Government					-	-	-	-	-	-	-
District Municipality					-	-	-	-	-	-	-
Other transfers and grants					3 007	20 338	20 338	20 338	-	-	-
Transfers recognised - capital	4	-	-	-	28 665	38 184	38 184	38 184	54 480	69 541	52 939
Public contributions & donations	5				-	-	-	-	-	-	-
Borrowing	6				-	1 400	1 400	1 400	-	-	-
Internally generated funds					1 880	2 880	2 880	2 880	110	64	67
Total Capital Funding	7	-	-	-	30 545	42 464	42 464	42 464	54 590	69 604	53 006

WC041 Kannaland - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		9 410	1 430	3 747	1 430	1 430	1 430	1 430	(189)	(738)	(32)
Call investment deposits	1	-	-	5 212	-	-	-	-	-	-	-
Consumer debtors	1	16 718	14 146	24 327	13 056	13 056	13 056	13 056	51 807	35 823	18 868
Other debtors		6 215	8 894	6 786	9 719	9 719	9 719	9 719	6 786	6 786	6 786
Current portion of long-term receivables		-	2								
Inventory	2	926	852	466	1 469	1 469	1 469	1 469			
Total current assets		33 269	25 325	40 537	25 674	25 674	25 674	25 674	58 403	41 871	25 622
Non current assets											
Long-term receivables		-	-								
Investments		4 044	4 586	-	5 315	5 315	5 315	5 315	5 315	5 315	5 315
Investment property		1 739	1 944	1 897	6 875	6 875	6 875	6 875	1 897	1 897	1 897
Investment in Associate		-	-								
Property, plant and equipment	3	229 968	253 358	291 429	244 981	244 981	244 981	244 981	333 143	401 817	454 006
Agricultural		-	-								
Biological		-	-								
Intangible		298	198	128	315	315	315	315	128	128	128
Other non-current assets		-	-								
Total non current assets		236 049	260 087	293 454	257 485	257 485	257 485	257 485	340 483	409 158	461 346
TOTAL ASSETS		269 318	285 412	333 992	283 160	283 160	283 160	283 160	398 886	451 028	486 968
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	534	606	686	685	1 036	1 036	1 036	776	879	996
Consumer deposits			629	669					669	669	669
Trade and other payables	4	42 122	53 773	63 259	40 607	40 607	40 607	40 607	41 369	-	-
Provisions		7 578	4 794	4 716							
Total current liabilities		50 235	59 802	69 330	41 292	41 643	41 643	41 643	42 814	1 548	1 665
Non current liabilities											
Borrowing		-	8 775	8 770	7 853	16 553	16 553	16 553	7 077	6 198	5 203
Provisions		19 270	13 517	37 647	24 492	24 492	24 492	24 492	7 710	-	-
Total non current liabilities		19 270	22 293	46 417	32 345	41 045	41 045	41 045	14 787	6 198	5 203
TOTAL LIABILITIES		69 504	82 095	115 747	73 637	82 688	82 688	82 688	57 602	7 746	6 868
NET ASSETS	5	199 813	203 317	218 244	209 522	200 471	200 471	200 471	341 285	443 282	480 100
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		199 813	203 317	218 244	209 522	200 471	200 471	200 471	341 285	443 282	480 100
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	199 813	203 317	218 244	209 522	200 471	200 471	200 471	341 285	443 282	480 100

WC041 Kannaland - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		6 766	6 444	8 968	11 225	11 225	11 225	11 225	14 311	15 169	16 079
Service charges		32 288	43 993	46 799	46 326	46 326	46 326	46 326	62 263	65 999	69 959
Other revenue		2 554	4 844	2 484	12 222	12 222	12 222	12 222	11 842	7 447	7 894
Government - operating	1	64 660	64 588	72 722	35 899	42 953	42 953	42 953	40 015	35 865	40 935
Government - capital	1				28 665	38 184	38 184	38 184	54 480	69 541	52 939
Interest		2 619	5 316	5 615	2 235	2 574	2 574	2 574	1 240	1 249	1 324
Dividends						-	-	-	-	-	-
Payments											
Suppliers and employees		(76 842)	(101 554)	(101 943)	(112 532)	(112 532)	(112 532)	(112 532)	(128 189)	(124 168)	(133 446)
Finance charges		(3 042)	(4 792)	(3 759)	(1 031)	(2 259)	(2 259)	(2 259)	(1 147)	(1 007)	(848)
Transfers and Grants	1					-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		29 003	18 838	30 886	23 010	38 694	38 694	38 694	54 814	70 095	54 836
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(20 796)	5 548	676		4 054	4 054	4 054	-	-	-
Decrease (Increase) in non-current debtors						-	-	-	-	-	-
Decrease (increase) other non-current receivables			744			-	-	-	-	-	-
Decrease (increase) in non-current investments		(479)				-	-	-	-	-	-
Payments											
Capital assets		(27)	(33 529)	(28 670)		(42 464)	(42 464)	(42 464)	(54 590)	(69 604)	(53 006)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(21 303)	(27 237)	(27 994)	-	(38 410)	(38 410)	(38 410)	(54 590)	(69 604)	(53 006)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		16	954	30		-	-	-	-	-	-
Borrowing long term/refinancing						8 700	8 700	8 700	-	-	-
Increase (decrease) in consumer deposits		38	70			-	-	-	-	-	-
Payments											
Repayment of borrowing		1 050	(605)	(606)	(685)	(1 721)	(1 721)	(1 721)	(991)	(1 040)	(1 123)
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 103	419	(575)	(685)	6 979	6 979	6 979	(991)	(1 040)	(1 123)
NET INCREASE/ (DECREASE) IN CASH HELD		8 804	(7 980)	2 317	22 325	7 263	7 263	7 263	(767)	(549)	707
Cash/cash equivalents at the year begin:	2	606	9 410	1 430	(7 352)	578	578	578	578	(189)	(738)
Cash/cash equivalents at the year end:	2	9 410	1 430	3 747	14 972	7 841	7 841	7 841	(189)	(738)	(32)

WC041 Kannaland - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	9 410	1 430	3 747	14 972	7 841	7 841	7 841	(189)	(738)	(32)
Other current investments > 90 days		-	-	5 212	(13 542)	(6 411)	(6 411)	(6 411)	-	-	-
Non current assets - investments	1	4 044	4 586	-	5 315	5 315	5 315	5 315	5 315	5 315	5 315
Cash and investments available:		13 454	6 016	8 958	6 745	6 745	6 745	6 745	5 126	4 577	5 283
<u>Application of cash and investments</u>											
Unspent conditional transfers		9 652	5 314	10 850	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	16 046	33 291	30 583	22 399	22 841	22 841	22 841	(16 711)	(39 689)	(23 896)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		25 697	38 604	41 433	22 399	22 841	22 841	22 841	(16 711)	(39 689)	(23 896)
Surplus(shortfall)		(12 244)	(32 588)	(32 475)	(15 654)	(16 096)	(16 096)	(16 096)	21 836	44 266	29 179

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WC041 Kannaland - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	22 773	23 509	23 509	54 590	69 604	53 006
Infrastructure - Road transport		-	-	-	3 244	3 244	3 244	9 313	9 887	10 206
Infrastructure - Electricity		-	-	-	3 080	3 080	3 080	16 000	13 000	8 796
Infrastructure - Water		-	-	-	12 302	353	353	19 167	26 654	-
Infrastructure - Sanitation		-	-	-	-	-	-	10 000	20 000	33 937
Infrastructure - Other		-	-	-	2 267	13 552	13 552	-	-	-
Infrastructure		-	-	-	20 893	20 229	20 229	54 480	69 541	52 939
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1 880	3 280	3 280	110	64	67
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	7 772	18 955	18 955	-	-	-
Infrastructure - Road transport		-	-	-	-	1 441	1 441	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	740	5 435	5 435	-	-	-
Infrastructure - Sanitation		-	-	-	3 000	3 447	3 447	-	-	-
Infrastructure - Other		-	-	-	-	8 400	8 400	-	-	-
Infrastructure		-	-	-	3 740	18 723	18 723	-	-	-
Community		-	-	-	4 032	232	232	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	3 244	4 685	4 685	9 313	9 887	10 206
Infrastructure - Electricity		-	-	-	3 080	3 080	3 080	16 000	13 000	8 796
Infrastructure - Water		-	-	-	13 042	5 788	5 788	19 167	26 654	-
Infrastructure - Sanitation		-	-	-	3 000	3 447	3 447	10 000	20 000	33 937
Infrastructure - Other		-	-	-	2 267	21 952	21 952	-	-	-
Infrastructure		-	-	-	24 633	38 952	38 952	54 480	69 541	52 939
Community		-	-	-	4 032	232	232	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1 880	3 280	3 280	110	64	67
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	30 545	42 464	42 464	54 590	69 604	53 006
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other		229 968	222 141	253 443	244 981	244 981	244 981	333 143	401 817	454 006
Infrastructure		229 968	222 141	253 443	244 981	244 981	244 981	333 143	401 817	454 006
Community										
Heritage assets										
Investment properties		1 739	1 944	1 897	6 875	6 875	6 875	1 897	1 897	1 897
Other assets			31 217	37 986						
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		298	198	128	315	315	315	128	128	128
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	232 005	255 501	293 454	252 170	252 170	252 170	335 168	403 843	456 031
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		8 259	18 708	13 432	9 723	9 723	9 723	12 766	13 632	14 450
Repairs and Maintenance by Asset Class	3	2 311	96	-	3 349	3 925	3 925	7 177	7 987	8 467
Infrastructure - Road transport		-	-	-	351	406	406	-	-	-
Infrastructure - Electricity		-	-	-	300	446	446	2 064	2 188	2 319
Infrastructure - Water		-	-	-	615	350	350	1 265	1 341	1 422
Infrastructure - Sanitation		-	-	-	270	200	200	420	445	472
Infrastructure - Other		-	-	-	-	-	-	547	580	615
Infrastructure		-	-	-	1 536	1 402	1 402	4 296	4 554	4 827
Community		-	-	-	-	-	-	182	572	606
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	2 311	96	-	1 813	2 523	2 523	2 699	2 861	3 033
TOTAL EXPENDITURE OTHER ITEMS		10 570	18 804	13 432	13 072	13 648	13 648	19 943	21 619	22 917

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WC041 Kannaland - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	4 679	4 687	4 687	4 687	4 700	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	4 679	4 687	4 687	4 687	4 700	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	4 679	4 687	4 687	4 687	4 700	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	3 994	4 090	4 090	4 090	4 100	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	3 994	4 090	4 090	4 090	4 100	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	3 994	4 090	4 090	4 090	4 100	-	-
Energy:										
Electricity (at least min.service level)		-	-	3 379	3 815	3 815	3 815	4 557	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	3 379	3 815	3 815	3 815	4 557	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	3 379	3 815	3 815	3 815	4 557	-	-
Refuse:										
Removed at least once a week		-	-	4 459	4 090	4 090	4 090	4 500	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	4 459	4 090	4 090	4 090	4 500	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	4 459	4 090	4 090	4 090	4 500	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	2 862	3 034	3 216
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	2 885	3 058	3 241
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	1 256	1 331	1 411
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	3 560	3 774	4 000
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	10 562	11 196	11 868
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	3 127	3 127	3 127	3 294	3 492	3 701
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	1 843	1 843	1 843	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	1 261	1 261	1 261	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	1 139	1 139	1 139	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	3 147	3 147	3 147	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	10 516	10 516	10 516	3 294	3 492	3 701

Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation

Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Kannaland has been designated as a medium capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 – The budget preparation process

2.2.1 – Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

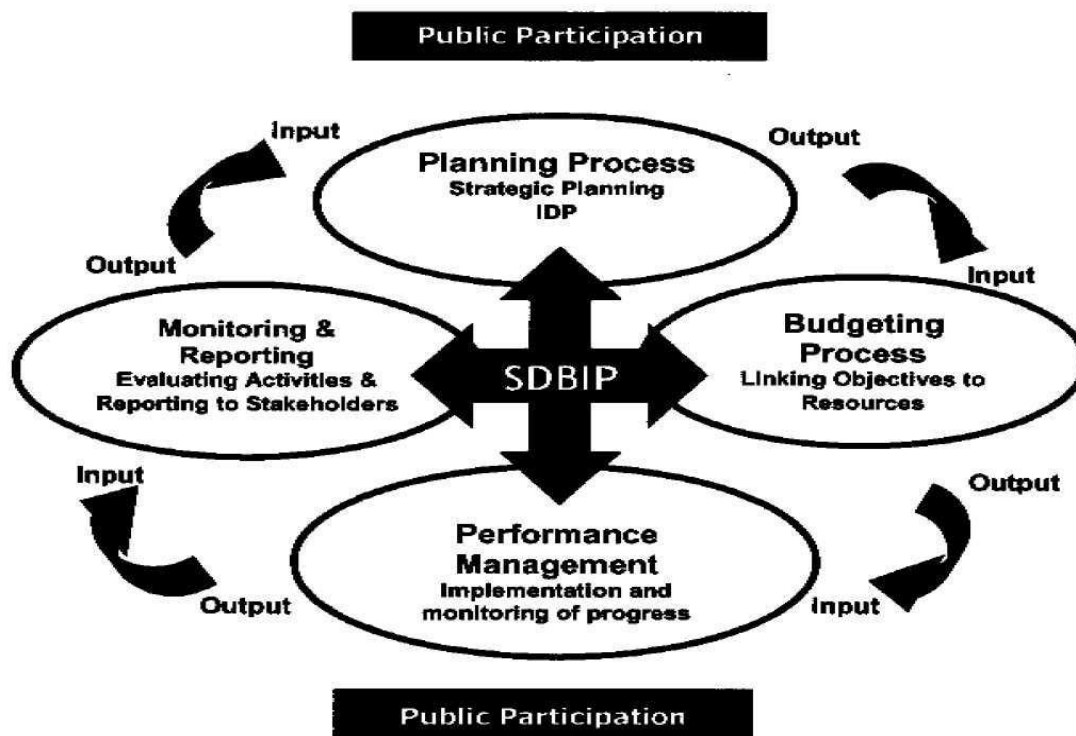
The budget may be funded only from realistic estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in Kannaland Municipality.



In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

Table 25 – Schedule of Key Deadlines relating to the budget process

[illegible]

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	priorities for next 3 financial years													
	Determine the funding/revenue potentially available for next 3 years	Chief Financial Officer						15						
	Determine the likely financial outlook and identify changes to fiscal strategies	Chief Financial Officer					28							
	Refine funding policies; review tariff structures	Chief Financial Officer							30					
	Evaluation of matters identified in IDP Assessment Report received from MEC: Local Government	IDP Coordinator						14						
	Determine any changes in the Socio-economic conditions & trends of Kannaland Municipality	Senior Management		27										
Consultation	Advertising a schedule of public meetings per ward	IDP Coordinator	06											
	Embarking on a public participation process via public meetings per ward to:	Executive Mayor				13	06							
	<ul style="list-style-type: none"> Provide feedback on progress of ward priorities Presentation of IDP Review & Budget time schedule 	Councillors Senior Management												

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	<ul style="list-style-type: none"> Obtain input on community needs for the IDP Review process 													
	Incorporate the concept of Community Based Planning (CBP) into the public participation process	IDP Coordinator	15											
Strategy	Strategic Planning Session to conduct a mid-term review:					18								
	<ul style="list-style-type: none"> Council's Strategic Objectives Assessment of the performance of implementation of Council's 5yr strategic plan (2012-2017 IDP) 	Executive mayor Senior Managers												
	Table Revised Strategic Plan Council for approval	Executive mayor Senior Managers					21							
	Prioritisation of development objectives, projects & programmes by Ward Committees: <ul style="list-style-type: none"> Facilitate a more inclusive consultation process for the 	Ward Councillors Ward Committees IDP Coordinator Communication Officer			15	19				28				

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	prioritisation of ward projects/programmes													
	IDP Indaba 1 engagement	Municipal Manager			12									
	<ul style="list-style-type: none"> Alignment of Strategic objectives of the municipality with that of the provincial and national government departments 	IDP Coordinator												
	District IDP Managers Forum Meeting	Eden District								24				
		IDP Coordinator												
	Provincial IDP Managers Forum Meeting	Provincial Dept. of Local Government												
		IDP Coordinator												
	IDP INDABA 2 engagement:	Provincial Dept. of Local Government								26				
	<ul style="list-style-type: none"> Identify projects & programmes which might need support/financial assistance from Government Referring of community issues which have been identified during IDP process but are not competencies of Local Government to the 	IDP Coordinator												

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	relevant National & Provincial Sector Departments Follow up on IDP Indaba agreements													
	Identification of new Capex/Opex projects & programmes culminating from the IDP Review Process	All departments						15						
	Prioritisation of internal & external Capex & Opex projects & Programmes	IDP & Budget Steering Committee							25					
	Workshop for the preparation of Adjustment Budget	Chief Financial Officer							22					
	Tabling & approval of Adjustment Budget <i>(to be approved before 28 Feb 2015)</i>	Chief Financial Officer								26				
	Workshop with Council to finalize: <ul style="list-style-type: none"> Draft IDP Review Draft Operational & Capital Budget 	Executive Mayor Senior Management									23			
Integration	Quarterly meetings of IDP & Budget Steering Committee	Executive Mayor				23			22		12			
		CFO												

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
		IDP Coordinator												
		Municipal Manager												
	Preparation of draft IDP Review document	IDP Coordinator							13					
	Circulation of draft IDP Review document to all directorates for their input & comment	IDP Coordinator								24				
	Tabling of draft IDP Review & Budget to MAYCO	Municipal Manager									21			
		CFO												
	Tabling of draft IDP Review & Budget to Council	Executive Mayor Council									24			
	Submission of tabled draft IDP Review & Budget to the MEC: Local Government, National & Provincial Treasury (Within 10 working days after tabling)	IDP Coordinator									29			
		CFO												
	Publishing of draft IDP Review & Budget (including proposed tariffs) for perusal and public comment	IDP Coordinator									29			
		CFO												
Consultation	Embarking on a public participation process via public meetings per ward to obtain final input from stakeholders on the tabled draft IDP & Budget	Executive Mayor										13	08	
		Councillors												
		Senior Management												

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	LGMTEC 3 engagement with Provincial & National Sector Departments to obtain input on the draft IDP Review & Budget	Provincial Department of Local Government										22		
	Incorporate notes and comment from MEC: Local Government & Provincial Treasury and DEA&DP on draft IDP Review & Budget	IDP Manager CFO										23		
Approval	Consideration of all submissions made by community subsequent to the public participation process of the draft IDP Review & Budget	IDP Manager CFO											16	
	MAYCO meeting to consider the submissions and, if necessary, to adjust the draft IDP and Budget	Municipal Manager											21	
	Council workshop on draft IDP Review & Budget prior to adoption	CFO IDP Manager											22	
	Council meeting to adopt the final IDP Review & Annual Budget and the Performance Management measures and targets	Executive Mayor Municipal Manager Council											27	
	(At least 30 days before the start of the budget year)													
	Management workshop to finalize the SDBIP's	Performance and Compliance Officer											02	

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2016 – JUNE 2017											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	Publish the adopted IDP Review & Budget with all budget related documents and policies on the municipal website	IDP Coordinator CFO											02	
	Submit a copy of the adopted IDP Review & Budget to the MEC: Local Government and Treasury (Within 10 working days after adoption)	IDP Coordinator CFO											27	
Finalization	Advertise a public notice of the adoption of the IDP	IDP Coordinator											02	
	Publish a summary of the IDP and Budget on municipal website	IDP Coordinator											02	
	Approval of the Service Delivery & Budget Implementation Plan (SDBIP) (within 28 days of approval of budget)	Executive Mayor												08

2.2.3 – Tabling of the draft budget

The draft budget was tabled by the mayor for review on 29 March 2016.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget was tabled before Council on 29 March 2015.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The consultation with National and Provincial Treasuries regarding the MTREF is attached as an annexure to this document.

An extensive public participation process was conducted as part of the IDP and Budget Road shows. The overall objective of this road show is to ensure an authentic and inclusive public participation process for the IDP and budget.

A notice was placed in the local newspaper on 02 April 2014, whereby the public was invited to submit written comments by 15 May 2014.

The public participation meetings (Road shows) were held from 20 April – 14 May 2015, within the respective wards of Kannaland. The planning of the road shows was driven by a steering committee constituted by politicians and officials from all Directorates. This committee provided guidance and feedback on areas that required improvement as the IDP and Budget Road shows unfolded.

A complete report regarding the feedback on the public participation process is included in the IDP document.

Table 26 – Proposed dates for IDP Public engagements: 2016/17 IDP review and budget cycle

Date	Day	Time	Ward	Venue	Ward Councillor
DRAFT IDP / BUDGET					
October			1	Community Hall	Ald Donson
October			2	Community Hall	Councillor Meshoa
October			3	Sport Club Hall	Speaker Ruiters
October			4	Town Hall	Councillor Rossouw
FINAL IDP / BUDGET					
April	04		1	Community Hall	Ald Donson
April	07		2	Community Hall	Councillor Meshoa
April	05		3	Sport Club Hall	Speaker Ruiters
April	06		4	Town Hall	Councillor Rossouw

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

George Municipality – 2015/16 Annual Budget and MTREF

2.4 – Alignment of Annual Budget with IDP

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

Kannaland is the place of choice and this along with the strategic vision and mission has led to the conceptualisation of five strategic goals for Kannaland. These goals are as follows:

Strategic Objective	Key Performance Area
To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens.	Infrastructure
To provide adequate Services and improve our Public relations.	Services and public relations
To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks.	Safe Community Environment
To facilitate Economic Growth and Social and Community development.	Economic Growth and Development
To promote efficient and effective Governance with high levels of stakeholder participation.	Governance and Stakeholder participation
To provide an efficient workforce by aligning our institutional arrangements to our overall strategy.	Institutional Transformation
To strive towards a financially sustainable municipality.	Financial Sustainability

The above strategic goals are set to become the catalysts to ensure that the vision and mission is achieved in the next five years.

The 2016/17 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 27 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

Table 28 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

Table 29 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure**WC041 Kannaland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens			118 675	155 315	146 148	102 341	121 973	121 973	140 229	159 013	147 666	
KPA 2: To Provide adequate Services and improve our Public relations	KPA 2: To Provide adequate Services and improve our Public relations						464	1 160	1 160	332	339	347	
KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks						5 043	4 723	4 723	3 000	3 180	3 371	
KPA 4: To Facilitate Economic Growth and Social and Community development	KPA 4: To Facilitate Economic Growth and Social and Community development						13 427	13 406	13 406	14 865	11 008	14 537	
KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation						7 121	7 141	7 141	2 701	2 937	3 189	
KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy						0	340	340	–	–	–	
KPA 7: To Strive towards a financially sustainable municipality	KPA 7: To Strive towards a financially sustainable municipality						23 842	26 172	26 172	22 634	24 137	25 686	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	118 675	155 315	146 148	152 239	174 917	174 917	183 761	200 614	194 795

Kannaland Municipality – 2016/17 Annual Budget and MTREF

WC041 Kannaland - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of			108 003	157 907	131 221	55 757	58 206	58 206	81 603	85 805	90 772	
KPA 2: To Provide adequate Services and improve our Public relations	KPA 2: To Provide adequate Services and improve our Public relations						1 539	2 144	2 144	1 183	1 241	1 305	
KPA 3: To strive towards a safe community in Kannaland through the proactive	KPA 3: To strive towards a safe community in Kannaland through the proactive						2 777	2 777	2 777	2 795	2 966	3 153	
KPA 4: To Facilitate Economic Growth and Social and Community development	KPA 4: To Facilitate Economic Growth and Social and Community development						11 764	15 764	15 764	15 309	10 904	14 438	
KPA 5: To Promote efficient and effective Governance with high levels of stakeholder	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder						20 127	20 872	20 872	16 558	17 039	18 180	
KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to						13 384	13 634	13 634	11 267	11 983	12 743	
KPA 7: To Strive towards a financially sustainable municipality	KPA 7: To Strive towards a financially sustainable municipality						20 005	21 283	21 283	18 482	19 852	21 207	
Allocations to other priorities													
Total Expenditure				1	108 003	157 907	131 221	125 352	134 679	134 679	147 198	149 790	161 799

WC041 Kannaland - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of	A					24 663	38 982	38 982	54 480	69 541	52 939
KPA 2: To Provide adequate Services and improve our Public relations	KPA 2: To Provide adequate Services and improve our Public relations	B						732	732	–	–	–
KPA 3: To strive towards a safe community in Kannaland through the proactive	KPA 3: To strive towards a safe community in Kannaland through the proactive	C						750	750	–	–	–
KPA 4: To Facilitate Economic Growth and Social and Community development	KPA 4: To Facilitate Economic Growth and Social and Community development	D					4 032	–	–	–	–	–
KPA 5: To Promote efficient and effective Governance with high levels of stakeholder	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder	E						540	540	–	–	–
KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to	F					–	30	30	–	–	–
KPA 7: To Strive towards a financially sustainable municipality	KPA 7: To Strive towards a financially sustainable municipality	G					1 850	1 430	1 430	110	64	67
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	–	–	–	30 545	42 464	42 464	54 590	69 604	53 006

2.5 – Measurable Performance Objectives (MPO'S) and Indicators

The MPO's included in the table below are only those that are linked to basic service delivery. **Tables 30 – SA7: Measurable Performance Objectives**

WC041 Kannaland - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
TECHNICAL										
KPA 1: To provide access to reliable										
KFA2: Roads and Storm Water										
No of roads (Sakkies Baai, Nissenville) of						100.0%	100.0%	100.0%	100.0%	100.0%
KFA20: Job Creation, Skills and						7000.0%	7000.0%	7000.0%	7000.0%	7000.0%
The number of jobs (work opportunities)										
KFA2: Roads and Storm Water										
Implement all streets and stormwater						New KPI	New KPI	50.0%	50.0%	50.0%
KPA 2: To Provide adequate Services and										
KFA7: Electricity										
Connect 50 households in informal						New KPI	New KPI	5000.0%	TBC	TBC
KFA 6: Water and Sanitation										
Connect 50 households in informal						New KPI	New KPI	5000.0%	TBC	TBC
Connect 50 households in informal areas to the						New KPI	New KPI	5000.0%	TBC	TBC
KFA8: Cleansing and Waste										
Connect 50 households in informal areas to the						New KPI	New KPI	5000.0%	TBC	TBC
KPA 7: To Strive towards a financially										
KFA34: Budgeting / Funding										
Number of indigents applied with						188000.0%	188000.0%	250000.0%	TBC	TBC
FINANCE										
KFA30: Revenue Enhancement, Meter										
The number of formal registered water meters						464000.0%	464000.0%	470000.0%	TBC	TBC
The number of formal sanitation						409000.0%	409000.0%	410000.0%	TBC	TBC
Number of formal electricity						337900.0%	337900.0%	337900.0%	TBC	TBC
Number of formal solid waste collections						409000.0%	409000.0%	450000.0%	TBC	TBC
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

WC041 Kannaland - Entities measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
No of roads (Sakkies Baai, Nissenville) of										
Entity 3 - (name of entity)										
No of roads (Sakkies Baai, Nissenville) of										
And so on for the rest of the Entities										

The key financial indicators and ratios are expressed in the table below:

Tables 31 – SA8: Financial Indicators and benchmarks

WC041 Kannaland - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.4%	3.4%	3.6%	1.4%	3.0%	3.0%	3.0%	1.5%	1.4%	1.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.4%	6.3%	5.6%	2.0%	4.2%	4.2%	4.2%	2.4%	2.2%	2.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	203.3%	203.3%	-22.8%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.7	0.4	0.6	0.6	0.6	0.6	0.6	1.4	27.0	15.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	0.4	0.6	0.6	0.6	0.6	0.6	1.4	27.0	15.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.0	0.1	0.0	0.0	0.0	0.0	(0.0)	(0.5)	(0.0)
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		72.7%	78.6%	77.9%	78.4%	73.3%	73.3%	73.3%	93.7%	93.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		72.7%	77.5%	77.9%	78.4%	73.3%	73.3%	73.3%	93.7%	93.7%	93.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	27.1%	18.8%	27.4%	18.4%	16.7%	16.7%	16.7%	45.3%	32.5%	18.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		345.1%	3389.0%	1398.9%	271.2%	517.9%	517.9%	517.9%	-21902.5%	0.0%	0.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.0%	36.0%	38.5%	37.8%	34.3%	34.3%	34.3%	39.1%	41.0%	40.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.4%	38.3%	40.8%	39.2%	35.4%	35.4%		41.4%	43.3%	42.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.7%	0.1%	0.0%	2.7%	2.9%	2.9%		5.6%	6.1%	6.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.1%	19.2%	15.4%	8.7%	8.8%	8.8%	8.8%	10.8%	11.2%	10.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.0	13.8	29.0	20.4	20.4	20.4	42.0	39.0	38.9	41.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	42.7%	35.4%	43.5%	30.8%	28.8%	28.8%	28.8%	71.5%	49.1%	27.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.4	0.2	0.5	1.9	1.0	1.0	1.0	(0.0)	(0.1)	(0.0)

2.6 – Overview of budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Section 17 (3) (e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council's budget related policies.

The budget committee considered amendments to various policies and the following budget related policies were reviewed:

1. Customer Care, Credit Control and Debt Collection Policy;
2. Property Rates Policy;
3. Tariff Policy,
4. Unauthorized Irregular and Fruitless and Wasteful Expenditure Policy;
5. Indigent Policy;
6. Virement Policy;
7. Cash Management and Investment Policy;
8. Supply Chain Management Policy;
9. PPPFA Policy;
10. Asset Management Policy;
11. Funding Borrowing & Reserve Policy;
12. Long Term Financial Plan;
13. Liquidity Policy;
14. Budget Implementation and Monitoring Policy.
15. Bad debt write off policy
16. Fleet Management Policy
17. Grants-in-aid Policy
18. Travel and Subsistence Policy
19. Risk Management Policy
20. Capital Contributions for new developments
21. Water losses policy
22. Electricity losses policy
23. Public participation policy

The Budget Committee has indicated that the finalization of the draft policy changes will be finalized after the budget consultation process is completed. The draft policies are contained in the budget document and place on municipal website for public comment.

The following financial policies need to be reviewed in future:

- Infrastructure Investment and capital projects including –
 - Planning and Approval of Capital projects Policy on Developer Contributions – this is included in the tariff policy.
- Unforeseen and Unavoidable expenditure
- Policy dealing with Management and Oversight

Budget related policies are attached as Annexures to this document.

2.6.1 – Review of current policies

2.6.1.1 Customer Care, Credit Control and Debt Collection Policy

The policy has been reviewed no material changes have been done.

2.6.1.2 Property Rates Policy

The policy has been reviewed no material changes have been done.

2.6.1.3 Tariff Policy

The policy has been reviewed no material changes have been done.

2.6.1.4 Unauthorized Irregular and Fruitless and Wasteful Expenditure Policy

The policy has been reviewed no material changes have been done.

2.6.1.5 Indigent Policy

The policy has been reviewed no material changes have been done.

2.6.1.6 Virement Policy

The policy has been reviewed no material changes have been done.

2.6.1.7 Cash Management and Investment Policy

The policy has been reviewed no material changes have been made.

2.6.1.8 Supply Chain Management Policy

The policy has been reviewed no material changes have been made.

2.6.1.9 PPPFA Policy

The policy has been reviewed no material changes have been made.

2.6.1.10 Asset Management Policy

The policy has been reviewed no material changes have been made.

2.6.1.11 Funding Borrowing & Reserve Policy

The policy has been reviewed no material changes have been made.

2.6.1.12 Long Term Financial Plan

This is a new plan developed by the municipality.

2.6.1.13 Liquidity Policy

This is a new policy necessary for the Long Term Financial Plan.

2.6.1.14 Budget Implementation and Monitoring Policy

The policy has been reviewed no material changes have been made.

2.6.1.15 Bad debt-write off policy

The policy has been reviewed no material changes have been made.

2.6.1.16 Fleet Management Policy

The policy has been reviewed no material changes have been made.

2.6.1.17 Grants-in-aid Policy

The policy has been reviewed no material changes have been made.

2.6.1.18 Travel and Subsistence Policy

The policy has been reviewed no material changes have been made.

2.6.1.19 Risk Management Policy

The policy has been reviewed no material changes have been made.

2.6.1.20 Capital Contributions for new developments

The policy has been reviewed no material changes have been made.

2.6.1.21 Water losses policy

The policy has been reviewed no material changes have been made.

2.6.1.22 Electricity losses policy

The policy has been reviewed no material changes have been made.

2.6.1.23 Public participation policy

The policy has been reviewed no material changes have been made.

2.7 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

2.7.1 – National Treasury MFMA Circular No 78 & 79

These Circulars was issued on 7 December 2015 and 7 March 2016 respectively, and it provides further guidance to municipalities for the preparation of the 2016/17

budget and MTREF and was used in preparing this budget. A copy of the Circulars is attached as an Annexure to this document.

2.7.2 – Inflation Outlook

In MFMA Circular No 79, inflation forecasts are estimated at 4.6%, 6.2% and 5.9% respectively for the years 2017 to 2019.

2.7.3 – Rates, tariffs, charges and timing of revenue collection

The Budget Committee made use of tariff modelling to calculate realistic tariff increases. Although the budget committee endeavoured to contain the increase within the 6% upper boundary of the South African Reserve Bank's inflation target, the model indicated that this was not possible. In order to have a funded budget the following tariff increases are recommended for the 2015/2016 financial year:

	Draft Budget 2016/17	Budget 2016/17	Budget 2017/18	Budget 2018/19
Rates	6%	8%	6%	6%
Tariffs:				
Water	10%	10%	6%	6%
Sewerage	6%	8%	6%	6%
Electricity			6%	6%
Cleansing		8%	6%	6%
General Charges	7%	8%	6%	6%

The cash flow statement shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges are based on the following:

Rates	Monthly billing. Interim billing throughout the year.
Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations

2.7.4 – Collection rates for each revenue source and customer type

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

	2016/17 R	2017/18 R	2018/19 R
Provision for bad debts and doubtful debts - service debt	R 15 067 260	R 15 983 500	R 16 955 480
Assumed collection rate			
Provision for bad and doubtful debts - fines	N/A	N/A	N/A

2.7.5 – Price movements on specifics e.g. bulk purchases

The following amounts are included in the MTREF for increases in bulk purchases;

	2016/17 R	2017/18 R	2018/19 R
ESKOM	R 30 164 350	R 31 974 220	R 33 892 680

2.7.6 – Average salary increases

The MTREF includes the following average percentage increases for wages, salaries and for councillors' remuneration;

Description	2016/2017 R	2017/2018 R	2018/2019 R
Councillors	0,0%	6%	6%
Section 57 employees	0,0%	6%	6%
Salaried employees	7,6%	6%	6%
Casual employees	0,0%	6%	6%

2.7.7 – Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is virtually entirely dependent on its staff. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by George will ultimately mean a failure to deliver services. Currently the municipality face financial constraints which do not make it possible for all employees to receive the required training. As result the municipality has developed a training plan to prioritise critical training. The municipality is also facing capacity constraints which cannot be merely rectified through training.

The Municipality has made the following amounts available for training over the MTREF period.

Description	2016/17 R	2017/18 R	2018/19 R
Training budget	R 607 280	R 643 720	R 682 350

2.7.8 – Trends in demand for free or subsidised basic services

Kannaland's criteria for supporting free or subsidised basic services are set out in the Indigent Policy. The Government allocates revenue via the Equitable Share grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable Share allocation must be paid by the consumer.

The proposed allocation to Indigent households will have the following financial consequences:

SUMMARY OF EQUITABLE SHARE ALLOCATION			
DESCRIPTION	BUDGET 2015/16 R	BUDGET 2016/17 R	BUDGET 2017/18 R
Electricity	4 945 460,00	5 148 550,00	5 427 310,00
Water	3 010 280,00	3 133 900,00	3 303 580,00
Refuse	3 870 360,00	4 029 300,00	4 247 460,00
Sanitation	4 515 420,00	4 700 850,00	4 955 370,00
Rates	4 300 400,00	4 477 000,00	4 719 400,00
Council- Equitable	860 080,00	895 400,00	943 880,00
Council - Salary	1 198 000,00	1 268 000,00	1 341 000,00
Ward Committee members	240 000,00	240 000,00	240 000,00
Gazetted Amount	22 940 000,00	23 893 000,00	25 178 000,00

The proposed package of free basic services allocated to the indigents consists of the following:

Description	2015/16 R	2016/17 R
Electricity (50 units) - Summer	R 64.50	R 76.50
Electricity (50 units) - Winter	R 74.00	R 84.50
Water (basic charge)	R 66,52	R 73,17
Sanitation (basic charge)	R 148,40	R 160.27
Refuse (basic charge)	R 154,25	R 166.59
Total	R 507.67	R 561.03

The proposed package of free basic services allocated to the needy (60% rebate) consists of the following:

Description	2015/16 R	2016/2017 R
Electricity (50 units)	R64.50	R 76.50
Water (basic charge)	R 39.91	R43.90
Sanitation (basic charge)	R 89.04	R 96.16
Refuse (basic charge)	R 92.55	R 99.95
Total	R 286.00	R 316.51

Spending is monitored closely throughout the year and Directors must ensure that capital programmes are supported by robust planning. The Municipality is currently reviewing its capital planning processes.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillor, municipal manager, directors and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending and put corrective measures in place.

2.7.10 – Capital Budget

The municipality provided grant funded projects as gazetted in the Division of Revenue Act, for the 2016/2017 annual budget.

External funding will not be used to finance capital projects.

2.7.11 – Implications of restructuring and other major events in the future

The municipality is currently in the process of implementing minor changes to the micro structure. These changes are being done internally with the existing staff component. These changes will be implemented to streamline service delivery and to affect savings.

2.7.12 – Budgeting for contingency plans for prolonged power outages

This Municipality is in the process of implementing contingency plans to address Eskom power outages such as the procurement of generators. Due to financial constraints the municipality would only be able to realise these goals in the adjustment budget.

However it has been established that the government is collectively working with Eskom to mitigate the impact of power cuts. These efforts will improve the availability of electricity over the medium term, and plans are under way to ensure that South Africa can generate sufficient energy to power its economy over the long term. The government consistently encourages a reduction in energy consumption and promotion of energy efficiency.

Consequently the response from government is to address the immediate challenge and it would therefore be premature for municipalities to invest in contingency infrastructure with the expectation of funding.

2.7.13 – Service level standards

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the 2016/17 tabled MTREF budget documentation.

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards.

It is accepted that it is not possible to have the same service level standards across all municipalities. Therefore the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

The service level standards will be tabled before council for formal adoption with the final budget and is attached as an annexure to this document.

2.8 – Other Supporting documents

2.8.1 Investment Particulars by Type

Table – SA15: Investment Particulars by Type

WC041 Kannaland - Supporting Table SA15 Investment particulars by type

Table 1: Supporting Table 1 - Investment Particulars by type										
Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		4 044	4 586	5 212	5 315	5 315	5 315	5 315	5 315	5 315
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	4 044	4 586	5 212	5 315	5 315	5 315	5 315	5 315	5 315
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		4 044	4 586	5 212	5 315	5 315	5 315	5 315	5 315	5 315

2.8.2 Borrowings

Table 32 – SA17: Borrowing

WC041 Kannaland - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality										
Long-Term Loans (annuity/reducing balance)			8 775	8 770	7 853	16 553	16 553	7 077	6 198	5 203
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	8 775	8 770	7 853	16 553	16 553	7 077	6 198	5 203
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	8 775	8 770	7 853	16 553	16 553	7 077	6 198	5 203

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 33 – SA18: Transfers and grants receipt

WC041 Kannaland - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		-	-	-	26 500	26 500	26 500	26 240	26 558	28 115
Local Government Equitable Share					22 391	22 391	22 391	22 940	23 893	25 178
EPWP Incentive					1 000	1 000	1 000	1 000	-	-
Municipal Systems Improvement					1 675	930	930	-	-	-
Finance Management					930	1 675	1 675	1 810	2 145	2 400
MIG - PMU					504	504	504	490	520	537
Provincial Government:		-	-	-	9 368	14 432	14 432	13 725	9 307	12 820
Housing					7 275	11 275	11 275	11 380	6 728	10 000
Sport and Recreation					1 773	1 773	1 773	1 900	2 014	2 135
Thusong Centre Operational Support					212	676	676	212	212	212
Community Development Workers					108	108	108	113	113	113
Financial Mngt Capacity Building					-	600	600	120	240	360
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]								-	-	-
Other grant providers:		-	-	-	31	2 021	2 021	50	-	-
Proclaimed Roads					31	31	31	50	-	-
HR PROJECT, TRAINING, Meter Audit & Elec Master plan						1 990	1 990	-	-	-
Total Operating Transfers and Grants	5	-	-	-	35 899	42 953	42 953	40 015	35 865	40 935
<u>Capital Transfers and Grants</u>										
National Government:		-	600	-	28 665	36 443	36 443	54 480	69 541	52 939
Municipal Infrastructure Grant (MIG)					9 578	9 578	9 578	9 313	9 887	10 206
Regional Bulk Infrastructure					13 000	3 447	3 447	29 167	46 654	33 937
Integrated National Electrification Programme					3 080	3 080	3 080	16 000	13 000	8 796
Energy efficiency & Demand Side Management			600		-	-	-	-	-	-
ACIP					3 007	20 338	20 338	-	-	-
Other capital transfers/grants [insert desc]					-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]								-	-	-
District Municipality:		-	-	-	-	1 441	1 441	-	-	-
DISASTER FUNDS - EDEN						1 441	1 441	-	-	-
Other grant providers:		-	-	-	-	300	300	-	-	-
GRANT: QUEEN STREET CAL						300	300	-	-	-
Total Capital Transfers and Grants	5	-	600	-	28 665	38 184	38 184	54 480	69 541	52 939
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	600	-	64 564	81 138	81 138	94 495	105 406	93 874

Table 34 – SA19: Expenditure on transfers and grants

WC041 Kannaland - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	-	-	26 500	26 500	26 500	26 240	26 558	28 115
Local Government Equitable Share					22 391	22 391	22 391	22 940	23 893	25 178
EPWP Incentive					-	1 000	1 000	1 000	-	-
					1 000	-	-	-	-	-
Municipal Systems Improvement					1 675	930	930	-	-	-
Finance Management					930	1 675	1 675	1 810	2 145	2 400
					-	-	-	-	-	-
MIG - PMU					504	504	504	490	520	537
Provincial Government:		-	-	-	9 368	14 432	14 432	13 725	9 307	12 820
Housing					7 275	11 275	11 275	11 380	6 728	10 000
Sport and Recreation					1 773	1 773	1 773	1 900	2 014	2 135
Thusong Centre Operational Support					212	676	676	212	212	212
Community Development Workers					108	108	108	113	113	113
Financial Mngt Capacity Building					-	600	600	120	240	360
District Municipality:		-	-	-	31	2 021	2 021	-	-	-
[insert description]					31	31	31	-	-	-
						1 990	1 990	-	-	-
Other grant providers:		-	-	-	-	-	-	50	-	-
Proclaimed Roads								50	-	-
								-	-	-
Total operating expenditure of Transfers and Grants		-	-	-	35 899	42 953	42 953	40 015	35 865	40 935
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	28 665	36 443	36 443	54 480	69 541	52 939
Municipal Infrastructure Grant (MIG)					9 578	9 578	9 578	9 313	9 887	10 206
Regional Bulk Infrastructure					13 000	3 447	3 447	29 167	46 654	33 937
Integrated National Electrification Programme					3 080	3 080	3 080	16 000	13 000	8 796
Energy efficiency & Demand Side Management					-	-	-	-	-	-
ACIP					3 007	20 338	20 338	-	-	-
Other capital transfers/grants [insert desc]					-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]								-	-	-
District Municipality:		-	-	-	-	1 441	1 441	-	-	-
DISASTER FUNDS - EDEN						1 441	1 441	-	-	-
								-	-	-
Other grant providers:		-	-	-	-	300	300	-	-	-
GRANT: QUEEN STREET CAL						300	300	-	-	-
								-	-	-
Total capital expenditure of Transfers and Grants		-	-	-	28 665	38 184	38 184	54 480	69 541	52 939
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	64 564	81 138	81 138	94 495	105 406	93 874

Table 35 – SA20: Reconciliation of transfers, grants receipts and unspent funds

WC041 Kannaland - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		25 425	36 949	28 884	35 899	42 953	42 953	26 240	26 558	28 115
Conditions met - transferred to revenue		25 425	36 949	28 884	35 899	42 953	42 953	26 240	26 558	28 115
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								13 725	9 307	12 820
Conditions met - transferred to revenue		-	-	-	-	-	-	13 725	9 307	12 820
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts								-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts								50	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	50	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		25 425	36 949	28 884	35 899	42 953	42 953	40 015	35 865	40 935
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	28 665	38 184	38 184	54 480	69 541	52 939
Conditions met - transferred to revenue		-	-	-	28 665	38 184	38 184	54 480	69 541	52 939
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts								-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	28 665	38 184	38 184	54 480	69 541	52 939
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		25 425	36 949	28 884	64 564	81 138	81 138	94 495	105 406	93 874
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Table 37 – SA21: Transfers and grants made by the municipality

The municipality will not be granting any transfers and grants.

2.8.4 Councillors and employee benefits

The total remuneration has increased from R 49 651 085.00 for 2015/2016 to R53 522 740 2016/2017. The increase of R3 871 655 can be contributed to:

- Salary increase of 7.6% salaried employees.
- Vacant post to be filled.

Table 36 – SA22: Summary of councillor and staff benefits

WC041 Kannaland - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		2 801	2 739	2 663	2 891	2 891	2 891	2 762	2 928	3 103
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances								164	174	74
Sub Total - Councillors		2 801	2 739	2 663	2 891	2 891	2 891	2 926	3 101	3 178
% increase	4		(2.2%)	(2.8%)	8.6%	-	-	1.2%	6.0%	2.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		32 995	44 180	43 719	4 147	4 147	4 147	3 855	4 086	4 331
Pension and UIF Contributions					160	160	160	174	184	195
Medical Aid Contributions					124	124	124	128	135	143
Overtime					-	-	-	-	-	-
Performance Bonus					273	273	273	78	83	88
Motor Vehicle Allowance	3				403	403	403	403	427	453
Cellphone Allowance	3				-	-	-	67	71	75
Housing Allowances	3				5	5	5	9	10	10
Other benefits and allowances	3				73	73	73	42	45	48
Payments in lieu of leave					-	-	-	43	46	48
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		32 995	44 180	43 719	5 185	5 185	5 185	4 798	5 086	5 391
% increase	4		33.9%	(1.0%)	(88.1%)	-	-	(7.5%)	6.0%	6.0%
Other Municipal Staff										
Basic Salaries and Wages					27 055	27 055	27 055	32 627	34 585	36 660
Pension and UIF Contributions					3 995	3 995	3 995	4 153	4 402	4 666
Medical Aid Contributions					1 460	1 460	1 460	1 906	2 020	2 141
Overtime					1 111	1 111	1 111	604	640	678
Performance Bonus					-	-	-	1 848	1 959	2 077
Motor Vehicle Allowance	3				2 846	2 846	2 846	1 386	1 469	1 557
Cellphone Allowance	3				18	18	18	127	135	143
Housing Allowances	3				71	71	71	195	206	219
Other benefits and allowances	3				3 414	3 414	3 414	2 069	2 193	2 325
Payments in lieu of leave					-	-	-	888	941	997
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				384	384	384	-	-	-
Sub Total - Other Municipal Staff		-	-	-	40 353	40 353	40 353	45 802	48 550	51 464
% increase	4		-	-	-	-	-	13.5%	6.0%	6.0%
Total Parent Municipality		35 796	46 918	46 382	48 429	48 429	48 429	53 527	56 738	60 032
			31.1%	(1.1%)	4.4%	-	-	10.5%	6.0%	5.8%

Table 37 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

WC041 Kannaland - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		567 820		20 868			588 688
Chief Whip			567 820		24 468			592 288
Executive Mayor			709 770		20 868			730 638
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors			916 380		97 876			1 014 256
Total Councillors	8	-	2 761 790	-	164 080			2 925 870
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 494 390		230 793			1 725 183
Chief Finance Officer			1 424 547		192 393			1 616 940
Director Corporate Services			935 679		458 315			1 393 994
								-
								-
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	3 854 616	-	881 500	-		4 736 116
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	6 616 406	-	1 045 580	-		7 661 986

Table 38 – SA24: Summary of personnel numbers

WC041 Kannaland - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		7	3	4	7	3	4	7	3	4
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	3	1	2	3	1	2	3	1	2
Other Managers	7	24	17	6	29	20	9	19	14	5
Professionals		8	8	–	7	7	–	7	7	–
Finance		6	6	–	5	5	–	5	5	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		2	2	–	2	2	–	2	2	–
Technicians		4	1	3	5	1	4	5	1	4
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		3	1	2	3	1	2	3	1	2
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	1	–	1	1	–	1
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		1	–	1	1	–	1	1	–	1
Clerks (Clerical and administrative)		75	40	35	86	38	48	71	34	37
Service and sales workers		5	2	3	5	2	3	5	2	3
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		25	23	2	24	23	1	27	26	1
Plant and Machine Operators		6	4	2	4	3	1	4	3	1
Elementary Occupations		48	25	23	81	25	57	81	25	57
TOTAL PERSONNEL NUMBERS	9	205	124	80	251	123	129	229	116	114
% increase					22.4%	(0.8%)	61.3%	(8.8%)	(5.7%)	(11.6%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	38	27	11						
Human Resources personnel headcount	8, 10	3	2	–	3	2	1			

2.8.5 Monthly targets for revenue, expenditure and cash flow

Table 39 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

WC041 Kannaland - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue By Source																
Property rates		1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	1 255	15 064	15 968	16 926
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		3 548	3 548	3 548	3 548	3 548	3 548	3 548	3 548	3 548	3 548	3 548	3 548	42 580	45 135	47 843
Service charges - water revenue		914	914	914	914	914	914	914	914	914	914	914	914	10 970	11 628	12 326
Service charges - sanitation revenue		652	652	652	652	652	652	652	652	652	652	652	652	7 820	8 290	8 787
Service charges - refuse revenue		444	444	444	444	444	444	444	444	444	444	444	444	5 324	5 643	5 982
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		14	14	14	14	14	14	14	14	14	14	14	14	170	180	191
Interest earned - external investments		6	6	6	6	6	6	6	6	6	6	6	6	70	74	79
Interest earned - outstanding debtors		98	98	98	98	98	98	98	98	98	98	98	98	1 170	1 240	1 315
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		167	167	167	167	167	167	167	167	167	167	167	167	2 002	2 122	2 249
Licences and permits		23	23	23	23	23	23	23	23	23	23	23	23	280	297	315
Agency services		58	58	58	58	58	58	58	58	58	58	58	58	700	742	787
Transfers recognised - operational		10 020	1 078	-	-	20 174	-	-	-	8 743	-	-	-	40 015	35 865	40 935
Other revenue		260	260	260	260	260	260	260	260	260	260	260	260	3 116	3 889	4 123
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		17 459	8 517	7 439	7 439	27 613	7 439	7 439	7 439	16 182	7 439	7 439	7 439	129 281	131 074	141 856
Expenditure By Type																
Employee related costs		4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	50 597	53 789	57 192
Remuneration of councillors		244	244	244	244	244	244	244	244	244	244	244	244	2 926	3 101	3 288
Debt impairment		1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	15 067	15 984	16 955
Depreciation & asset impairment		1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	12 766	13 632	14 450
Finance charges		96	96	96	96	96	96	96	96	96	96	96	96	1 147	1 007	848
Bulk purchases		2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	2 560	30 720	32 563	34 517
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	33 975	29 714	34 550
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	147 198	149 790	161 799
Surplus/(Deficit)																
Transfers recognised - capital		3 104	45 167	-	-	3 104	-	-	-	3 105	-	-	-	54 480	69 541	52 939
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	8 297	41 417	(4 828)	(4 828)	18 450	(4 828)	(4 828)	(4 828)	7 020	(4 828)	(4 828)	(4 828)	36 563	50 824	32 996

Table 40 – SA26: Budgeted monthly revenue and expenditure by municipal vote

WC041 Kannaland - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Executive Council		225	225	225	225	225	225	225	225	225	225	225	225	2 701	2 937	3 189
Vote 2 - Corporate Services		1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	1 494	17 925	13 653	17 328
Vote 3 - Financial Services		1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	22 634	24 137	25 686
Vote 4 - Technical Services		11 588	11 588	11 588	11 588	11 588	11 588	11 588	11 588	11 588	11 588	11 588	11 588	139 059	157 773	146 351
Vote 5 - CALITZDORP SPA		120	120	120	120	120	120	120	120	120	120	120	120	1 442	2 115	2 242
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	183 761	200 614	194 795
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	16 558	17 039	18 180
Vote 2 - Corporate Services		2 586	2 586	2 586	2 586	2 586	2 586	2 586	2 586	2 586	2 586	2 586	2 586	31 038	27 605	32 182
Vote 3 - Financial Services		1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	18 482	19 852	21 207
Vote 4 - Technical Services		6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	79 678	83 178	87 988
Vote 5 - CALITZDORP SPA		120	120	120	120	120	120	120	120	120	120	120	120	1 442	2 115	2 242
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	147 198	149 790	161 799
Surplus/(Deficit) before assoc.		3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	36 563	50 824	32 996
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	36 563	50 824	32 996

References

Table 41 – SA27: Budgeted monthly revenue and expenditure by standard classification

WC041 Kannaland - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																
<i>Governance and administration</i>		2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	25 335	27 074	28 875
Executive and council		225	225	225	225	225	225	225	225	225	225	225	225	2 701	2 937	3 189
Budget and treasury office		1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	1 886	22 634	24 137	25 686
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 364	1 364	1 364	1 364	1 364	1 364	1 364	1 364	1 364	1 364	1 364	1 364	16 367	12 588	16 199
Community and social services		316	316	316	316	316	316	316	316	316	316	316	316	3 787	4 588	4 850
Sport and recreation		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Public safety		98	98	98	98	98	98	98	98	98	98	98	98	1 170	1 240	1 315
Housing		949	949	949	949	949	949	949	949	949	949	949	949	11 390	6 739	10 011
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	13 853	13 587	14 114
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	1 154	13 853	13 587	14 114
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10 684	10 684	10 684	10 684	10 684	10 684	10 684	10 684	10 684	10 684	10 684	10 684	128 206	147 366	135 608
Electricity		5 294	5 294	5 294	5 294	5 294	5 294	5 294	5 294	5 294	5 294	5 294	5 294	63 525	63 283	62 066
Water		2 762	2 762	2 762	2 762	2 762	2 762	2 762	2 762	2 762	2 762	2 762	2 762	33 148	41 416	15 630
Waste water management		1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	22 336	32 990	47 679
Waste management		766	766	766	766	766	766	766	766	766	766	766	766	9 197	9 676	10 233
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	15 313	183 761	200 614	194 795
Expenditure - Standard																
<i>Governance and administration</i>		3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	3 859	46 307	48 874	52 130
Executive and council		1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	16 558	17 039	18 180
Budget and treasury office		1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	1 540	18 482	19 852	21 207
Corporate services		939	939	939	939	939	939	939	939	939	939	939	939	11 267	11 983	12 743
<i>Community and public safety</i>		1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	1 535	18 417	14 771	18 528
Community and social services		456	456	456	456	456	456	456	456	456	456	456	456	5 467	6 377	6 759
Sport and recreation		54	54	54	54	54	54	54	54	54	54	54	54	650	690	732
Public safety		40	40	40	40	40	40	40	40	40	40	40	40	482	511	542
Housing		985	985	985	985	985	985	985	985	985	985	985	985	11 818	7 194	10 495
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		875	875	875	875	875	875	875	875	875	875	875	875	10 499	10 014	10 611
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		875	875	875	875	875	875	875	875	875	875	875	875	10 499	10 014	10 611
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		5 998	5 998	5 998	5 998	5 998	5 998	5 998	5 998	5 998	5 998	5 998	5 998	71 974	76 131	80 530
Electricity		3 379	3 379	3 379	3 379	3 379	3 379	3 379	3 379	3 379	3 379	3 379	3 379	40 551	42 887	45 360
Water		1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	1 340	16 078	16 975	17 924
Waste water management		761	761	761	761	761	761	761	761	761	761	761	761	9 128	9 657	10 216
Waste management		518	518	518	518	518	518	518	518	518	518	518	518	6 218	6 612	7 031
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard		12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	12 267	147 198	149 790	161 799
Surplus/(Deficit) before assoc.		3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	36 563	50 824	32 996
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	36 563	50 824	32 996

Table 42 – SA28: Budgeted monthly capital expenditure (municipal vote)

WC041 Kannaland - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Council													-	-	-	-
Vote 2 - Corporate Services													-	-	-	-
Vote 3 - Financial Services													-	-	-	-
Vote 4 - Technical Services													-	-	-	-
Vote 5 - CALITZDORP SPA													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		4	4	4	4	4	4	4	4	4	4	4	4	50	-	-
Vote 3 - Financial Services		5	5	5	5	5	5	5	5	5	5	5	5	60	64	67
Vote 4 - Technical Services		4 540	4 540	4 540	4 540	4 540	4 540	4 540	4 540	4 540	4 540	4 540	4 540	54 480	69 541	52 939
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	54 590	69 604	53 006
Total Capital Expenditure	2	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	54 590	69 604	53 006

Table 43 – SA29: Budgeted monthly capital expenditure (standard classification)

WC041 Kannaland - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		9	9	9	9	9	9	9	9	9	9	9	9	110	64	67
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		5	5	5	5	5	5	5	5	5	5	5	5	60	64	67
Corporate services		4	4	4	4	4	4	4	4	4	4	4	4	50	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services														-	-	-
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		776	776	776	776	776	776	776	776	776	776	776	776	9 313	9 887	10 206
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		776	776	776	776	776	776	776	776	776	776	776	776	9 313	9 887	10 206
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	3 764	45 167	59 654	42 733
Electricity		1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	16 000	13 000	8 796
Water		1 597	1 597	1 597	1 597	1 597	1 597	1 597	1 597	1 597	1 597	1 597	1 597	19 167	26 654	-
Waste water management		833	833	833	833	833	833	833	833	833	833	833	833	10 000	20 000	33 937
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	54 590	69 604	53 006
Funded by:																
National Government		3 104	45 167	-	-	3 104	-	-	-	3 105	-	-	-	54 480	69 541	52 939
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		3 104	45 167	-	-	3 104	-	-	-	3 105	-	-	-	54 480	69 541	52 939
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		9	9	9	9	9	9	9	9	9	9	9	9	110	64	67
Total Capital Funding		3 113	45 176	9	9	3 113	9	9	9	3 114	9	9	9	54 590	69 604	53 006

Table 44 – SA30: Budgeted monthly cash flow

WC041 Kannaland - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
Cash Receipts By Source													1		
Property rates	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	14 311	15 169	16 079
Property rates - penalties & collection charges													-		
Service charges - electricity revenue	3 370	3 370	3 370	3 370	3 370	3 370	3 370	3 370	3 370	3 370	3 370	3 370	40 438	42 865	45 437
Service charges - water revenue	805	805	805	805	805	805	805	805	805	805	805	805	9 658	10 237	10 851
Service charges - sanitation revenue	592	592	592	592	592	592	592	592	592	592	592	592	7 107	7 533	7 985
Service charges - refuse revenue	422	422	422	422	422	422	422	422	422	422	422	422	5 061	5 364	5 686
Service charges - other													-		
Rental of facilities and equipment	19	19	19	19	19	19	19	19	19	19	19	19	230	232	246
Interest earned - external investments	6	6	6	6	6	6	6	6	6	6	6	6	70	70	75
Interest earned - outstanding debtors	98	98	98	98	98	98	98	98	98	98	98	98	1 170	1 178	1 249
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	169	169	169	169	169	169	169	169	169	169	169	169	2 022	2 036	2 158
Licences and permits	23	23	23	23	23	23	23	23	23	23	23	23	280	282	299
Agency services	58	58	58	58	58	58	58	58	58	58	58	58	700	705	747
Transfer receipts - operational	10 020	1 078	-	-	20 174	-	-	-	8 743	-	-	-	40 015	35 865	40 935
Other revenue	717	717	717	717	717	717	717	717	717	717	717	717	8 610	4 192	4 444
Cash Receipts by Source	17 492	8 549	7 471	7 471	27 645	7 471	7 471	7 471	16 214	7 471	7 471	7 471	129 671	125 729	136 191
Other Cash Flows by Source															
Transfer receipts - capital	3 104	45 167	-	-	3 104	-	-	-	3 105	-	-	-	54 480	69 541	52 939
Contributions recognised - capital & Contributed assets													-		
Proceeds on disposal of PPE													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits													-		
Decrease (increase) in non-current debtors													-		
Decrease (increase) other non-current receivables													-		
Decrease (increase) in non-current investments													-		
Total Cash Receipts by Source	20 596	53 716	7 471	7 471	30 749	7 471	7 471	7 471	19 319	7 471	7 471	7 471	184 151	195 270	189 130
Cash Payments by Type															
Employee related costs	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	4 216	50 597	53 789	57 192
Remuneration of councillors	244	244	244	244	244	244	244	244	244	244	244	244	2 926	3 101	3 288
Finance charges	96	96	96	96	96	96	96	96	96	96	96	96	1 147	1 007	848
Bulk purchases - Electricity	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	30 164	31 974	33 893
Bulk purchases - Water & Sewer	46	46	46	46	46	46	46	46	46	46	46	46	555	589	624
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	33 975	29 714	34 450
Cash Payments by Type	9 947	9 947	9 947	9 947	9 947	9 947	9 947	9 947	9 947	9 947	9 947	9 947	119 365	120 174	130 294
Other Cash Flows/Payments by Type															
Capital assets	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	4 549	54 590	69 604	53 006
Repayment of borrowing	83	83	83	83	83	83	83	83	83	83	83	83	991	1 040	1 123
Other Cash Flows/Payments		1 500				1 500				1 000		5 972	9 972	5 000	4 000
Total Cash Payments by Type	14 579	16 079	14 579	14 579	14 579	16 079	14 579	14 579	14 579	15 579	14 579	20 551	184 918	195 819	188 423
NET INCREASE/(DECREASE) IN CASH HELD	6 017	37 637	(7 108)	(7 108)	16 170	(8 608)	(7 108)	(7 108)	4 740	(8 108)	(7 108)	(13 079)	(767)	(549)	707
Cash/cash equivalents at the month/year begin:	578	6 595	44 232	37 125	30 017	46 188	37 580	30 473	23 365	28 105	19 998	12 890	578	(189)	(738)
Cash/cash equivalents at the month/year end:	6 595	44 232	37 125	30 017	46 188	37 580	30 473	23 365	28 105	19 998	12 890	(189)	(189)	(738)	(32)

2.8.6 External mechanisms

Table 51 – SA33: List of external mechanisms

2.8.7 Contracts having future budgetary implications

The municipality has no intention of entering into contracts beyond three years.

2.8.8 Capital expenditure details

The following three tables present detail of the Municipality's capital expenditure programme.

Table 45 – SA34a: Capital Expenditure on new assets by asset class

Table 46 – SA34b: Capital Expenditure – renewal of assets by asset class

Table 47 – SA34c: Depreciation by asset class

2.8.9 Detailed capital budget per municipal vote

Table – SA36: Detailed capital budget per municipal vote

Table – SA37: Projects delayed from previous financial years

The reason for the delay was due to the licence for the approval of the raising of the dam wall that was outstanding. Approval was received during December 2014 and due to the increase in cost the project had to be shifted to 2015/16 financial year.

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Table 45

WC041 Kannaland - Supporting Table SA34a Capital expenditure on new assets by asset class

WCO41 Kaimaia - Supporting Table 3A3a Capital expenditure on new assets by asset class											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	-	-	-	20 893	20 229	20 229	54 480	69 541	52 939	
Infrastructure - Road transport		-	-	-	3 244	3 244	3 244	9 313	9 887	10 206	
Roads, Pavements & Bridges					3 244	3 244	3 244	9 313	9 887	10 206	
Storm water								-	-	-	
Infrastructure - Electricity		-	-	-	3 080	3 080	3 080	16 000	13 000	8 796	
Generation					-	-	-	-	-	-	
Transmission & Reticulation					3 080	3 080	3 080	16 000	13 000	8 796	
Street Lighting					-	-	-	-	-	-	
Infrastructure - Water		-	-	-	12 302	353	353	19 167	26 654	-	
Dams & Reservoirs					10 000	-	-	19 167	26 654	-	
Water purification					-	-	-	-	-	-	
Reticulation					2 302	353	353	-	-	-	
Infrastructure - Sanitation		-	-	-	-	-	-	10 000	20 000	33 937	
Reticulation								10 000	20 000	33 937	
Sewerage purification								-	-	-	
Infrastructure - Other		-	-	-	2 267	13 552	13 552	-	-	-	
Waste Management					-	-	-	-	-	-	
Transportation					-	-	-	-	-	-	
Gas					-	-	-	-	-	-	
Other		3			2 267	13 552	13 552	-	-	-	
Community		7	-	-	-	-	-	-	-	-	-
Parks & gardens									-	-	-
Sportsfields & stadia									-	-	-
Swimming pools									-	-	-
Community halls									-	-	-
Libraries									-	-	-
Recreational facilities									-	-	-
Fire, safety & emergency								-	-	-	
Security and policing								-	-	-	
Buses								-	-	-	
Clinics								-	-	-	
Museums & Art Galleries								-	-	-	
Cemeteries								-	-	-	
Social rental housing	8							-	-	-	
Other								-	-	-	
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings								-	-	-	
Other								-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development								-	-	-	
Other								-	-	-	
Other assets	10	-	-	-	1 880	3 280	3 280	110	64	67	
General vehicles					30	1 430	1 430	-	-	-	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment					-	-	-	-	-	-	
Computers - hardware/equipment					520	520	520	-	-	-	
Furniture and other office equipment					80	80	80	110	64	67	
Abattoirs					-	-	-	-	-	-	
Markets					-	-	-	-	-	-	
Civic Land and Buildings					-	-	-	-	-	-	
Other Buildings					-	-	-	-	-	-	
Other Land					-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)					-	-	-	-	-	-	
Other					1 250	1 250	1 250	-	-	-	
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class									-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class								-	-	-	
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming								-	-	-	
Other (list sub-class)							-	-	-		
Total Capital Expenditure on new assets	1	-	-	-	22 773	23 509	23 509	54 590	69 604	53 006	

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Table 46

WC041 Kannaland - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			-	-	-	3 740	18 723	18 723	-	-	-
Infrastructure - Road transport			-	-	-	-	1 441	1 441	-	-	-
Roads, Pavements & Bridges							1 441	1 441	-	-	-
Storm water							-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Generation									-	-	-
Transmission & Reticulation									-	-	-
Street Lighting									-	-	-
Infrastructure - Water			-	-	-	740	5 435	5 435	-	-	-
Dams & Reservoirs						740	740	740	-	-	-
Water purification						-	-	-	-	-	-
Reticulation						-	4 695	4 695	-	-	-
Infrastructure - Sanitation			-	-	-	3 000	3 447	3 447	-	-	-
Reticulation						3 000	3 447	3 447	-	-	-
Sewerage purification									-	-	-
Infrastructure - Other			-	-	-	-	8 400	8 400	-	-	-
Waste Management							-	-	-	-	-
Transportation	2						-	-	-	-	-
Gas							-	-	-	-	-
Other	3						8 400	8 400	-	-	-
Community			-	-	-	4 032	232	232	-	-	-
Parks & gardens						-			-	-	-
Sportsfields & stadia						4 032			-	-	-
Swimming pools						-			-	-	-
Community halls							232	232	-	-	-
Libraries									-	-	-
Recreational facilities									-	-	-
Fire, safety & emergency									-	-	-
Security and policing									-	-	-
Buses	7								-	-	-
Clinics									-	-	-
Museums & Art Galleries									-	-	-
Cemeteries									-	-	-
Social rental housing	8								-	-	-
Other											
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings											
Other	9										
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			-	-	-	-	-	-	-	-	-
General vehicles											
Specialised vehicles											
Plant & equipment			-	-	-	-	-	-	-	-	-
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing	1		-	-	-	7 772	18 955	18 955	-	-	-

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WC041 Kannaland - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand	1										
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	-	-	-	1 536	1 402	1 402	4 296	4 554	4 827	
Infrastructure - Road transport		-	-	-	351	406	406	-	-	-	
Roads, Pavements & Bridges					351	406	406	-	-	-	
Storm water								-	-	-	
Infrastructure - Electricity		-	-	-	300	446	446	2 064	2 188	2 319	
Generation								-	-	-	
Transmission & Reticulation					300	446	446	2 000	2 120	2 247	
Street Lighting								64	68	72	
Infrastructure - Water		-	-	-	615	350	350	1 265	1 341	1 422	
Dams & Reservoirs					32	32	32	65	69	74	
Water purification					-	-	-	-	-	-	
Reticulation					583	318	318	1 200	1 272	1 348	
Infrastructure - Sanitation		-	-	-	270	200	200	420	445	472	
Reticulation					150	120	120	276	293	310	
Sewerage purification					120	80	80	144	153	162	
Infrastructure - Other		-	-	-	-	-	-	547	580	615	
Waste Management								-	-	-	
Transportation								-	-	-	
Gas								-	-	-	
Other		3						547	580	615	
Community			-	-	-	-	-	-	182	572	606
Parks & gardens		7							-	-	-
Sportsfields & stadia									-	-	-
Swimming pools									-	-	-
Community halls									-	-	-
Libraries									-	-	-
Recreational facilities									-	-	-
Fire, safety & emergency									-	-	-
Security and policing									-	-	-
Buses									-	-	-
Clinics									-	-	-
Museums & Art Galleries									-	-	-
Cemeteries								-	-	-	
Social rental housing	8							-	-	-	
Other								182	572	606	
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings											
Other											
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	2 311	96	-	1 813	2 523	2 523	2 699	2 861	3 033	
General vehicles					435	660	660	983	1 042	1 104	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment					-	-	-	-	-	-	
Computers - hardware/equipment					-	-	-	-	-	-	
Furniture and other office equipment					115	238	238	124	132	139	
Abattoirs					-	-	-	-	-	-	
Markets					-	-	-	-	-	-	
Civic Land and Buildings					-	-	-	-	-	-	
Other Buildings					681	1 170	1 170	-	-	-	
Other Land					-	-	-	764	810	859	
Surplus Assets - (Investment or Inventory)					-	-	-	-	-	-	
Other			2 311	96		582	455	455	828	878	931
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	2 311	96	-	3 349	3 925	3 925	7 177	7 987	8 467	

2.8.10 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

Table 48 – SA1: Supporting detail to Statement of Financial Performance

WC041 Kannaland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		8 790	11 632	13 135	17 159	17 159	17 159	17 159	18 358	19 459	20 627
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		–	–	–	3 127	3 127	3 127	3 127	3 294	3 492	3 701
Net Property Rates		8 790	11 632	13 135	14 032	14 032	14 032	14 032	15 064	15 968	16 926
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		33 437	34 708	34 658	36 651	40 508	40 508	40 508	43 835	46 465	49 253
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		–	–	–	1 139	1 139	1 139	1 139	–	–	–
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–	–	1 256	1 331	1 411
Net Service charges - electricity revenue		33 437	34 708	34 658	35 512	39 369	39 369	39 369	42 580	45 135	47 843
Service charges - water revenue	6										
Total Service charges - water revenue		4 199	10 066	13 775	12 626	13 912	13 912	13 912	13 832	14 662	15 542
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		–	–	–	1 843	1 843	1 843	1 843	–	–	–
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	2 862	3 034	3 216
Net Service charges - water revenue		4 199	10 066	13 775	10 783	12 069	12 069	12 069	10 970	11 628	12 326
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		3 979	4 146	5 161	9 591	9 591	9 591	9 591	10 705	11 348	12 028
less Revenue Foregone (in excess of free sanitation service to indigent households)		–	–	–	1 261	1 261	1 261	1 261	–	–	–
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–	–	2 885	3 058	3 241
Net Service charges - sanitation revenue		3 979	4 146	5 161	8 330	8 330	8 330	8 330	7 820	8 290	8 787
Service charges - refuse revenue	6										
Total refuse removal revenue		3 279	4 543	4 846	7 868	7 868	7 868	7 868	8 884	9 417	9 982
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
less Revenue Foregone (in excess of one removal a week to indigent households)		–	–	–	3 147	3 147	3 147	3 147	–	–	–
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–	–	3 560	3 774	4 000
Net Service charges - refuse revenue		3 279	4 543	4 846	4 722	4 722	4 722	4 722	5 324	5 643	5 982
Other Revenue by source											
Fuel Levy		391	322	516	5 270	2 647	2 647	2 647	–	–	–
Other Revenue		45	154	63	–	–	–	–	–	–	–
		–	–	–	128	99	99	99	–	–	–
		–	–	–	614	614	614	614	–	–	–
		532	76	12	–	–	–	–	–	–	–
		–	4 167	4 256	–	–	–	–	–	–	–
		–	5 888	–	–	–	–	–	–	–	–
		245	243	271	–	–	–	–	–	–	–
Other Income		–	–	–	–	–	–	–	3 116	3 889	4 123
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total 'Other' Revenue	1	1 213	10 850	5 118	6 012	3 360	3 360	3 360	3 116	3 889	4 123

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WC041 Kannaland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	32 995	44 180	43 719	31 826	32 084	32 084	32 084	36 928	39 276	41 763
Pension and UIF Contributions		-	-	-	4 585	4 585	4 585	4 585	4 146	4 408	4 688
Medical Aid Contributions		-	-	-	1 648	1 648	1 648	1 648	1 935	2 057	2 187
Overtime		-	-	-	487	487	487	487	583	619	657
Performance Bonus		-	-	-	2 262	2 262	2 262	2 262	1 901	2 021	2 149
Motor Vehicle Allowance		-	-	-	3 149	3 149	3 149	3 149	1 789	1 902	2 023
Cellphone Allowance		-	-	-	30	30	30	30	182	182	193
Housing Allowances		-	-	-	75	75	75	75	198	206	219
Other benefits and allowances		-	-	-	1 666	1 666	1 666	1 666	2 054	2 181	2 316
Payments in lieu of leave		-	-	-	973	973	973	973	882	938	997
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
sub-total	4										
	5	32 995	44 180	43 719	46 702	46 960	46 960	46 960	50 597	53 789	57 192
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	32 995	44 180	43 719	46 702	46 960	46 960	46 960	50 597	53 789	57 192
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		8 256	14 370	10 926	9 723	9 723	9 723	9 723	12 766	13 632	14 450
Lease amortisation	3				-	-	-	-	-	-	-
Capital asset impairment		-	4 338	2 506	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	10				-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	8 259	18 708	13 432	9 723	9 723	9 723	9 723	12 766	13 632	14 450
Bulk purchases											
Electricity Bulk Purchases		20 276	25 477	24 789	25 969	25 969	25 969	25 969	30 164	31 974	33 893
Water Bulk Purchases		470	181	807	524	524	524	524	555	589	624
Total bulk purchases	1	20 747	25 658	25 596	26 493	26 493	26 493	26 493	30 720	32 563	34 517
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
Allocations to organs of state:		-	-	-	-	-	-	-	-	-	-
Total contracted services	1	-	-	-	-	-	-	-	-	-	-
Other Expenditure By Type											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Consultant fees		-	-	-	-	-	-	-	-	-	-
Audit fees		-	-	-	2 120	2 120	2 120	2 120	1 543	1 636	1 734
General expenses	3	12 337	25 748	22 941	12 441	12 713	12 713	12 713	13 459	14 095	14 927
List Other Expenditure by Type		2 311	2 116	1 432	-	-	-	-	-	-	-
Operating grant expenditure		-	-	-	11 735	18 939	18 939	18 939	15 175	9 958	13 622
Postage & Stamps		-	-	-	401	381	381	381	340	361	383
Legal Fees		-	-	-	1 022	1 022	1 022	1 022	400	424	449
Printing & Stationery		-	-	-	551	551	551	551	100	106	112
Insurance		-	-	-	405	405	405	405	305	323	343
Subsistence & Travel		-	-	-	583	583	583	583	311	329	349
Telephone		-	-	-	747	672	672	672	222	236	250
Fuel & Oil		-	-	-	663	628	628	628	323	342	362
Licenses		-	-	-	73	73	73	73	73	78	83
Training		-	-	-	315	315	315	315	619	656	695
Bank Costs		-	-	-	170	170	170	170	170	181	192
Uniforms		-	-	-	223	223	223	223	-	-	-
Cleaning Accessories		-	-	-	104	107	107	107	50	53	56
Provisions		-	-	-	160	185	185	185	-	-	-
Chemicals		-	-	-	31	31	31	31	260	275	292
Contracted Services		20 250	18 471	10 202	1 750	1 641	1 641	1 641	624	662	702
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	34 898	46 334	34 574	33 497	40 762	40 762	40 762	33 975	29 714	34 550
Repairs and Maintenance											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		2 311	96	-	3 349	3 925	3 925	3 925	7 177	7 987	8 467
Total Repairs and Maintenance Expenditure	9	2 311	96	-	3 349	3 925	3 925	3 925	7 177	7 987	8 467

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Table 49 – SA3: Supporting detail to Statement of Financial Position

WC041 Kannaland - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		–		5 212							
Other current investments > 90 days		–	–								
Total Call investment deposits	2	–	–	5 212	–	–	–	–	–	–	–
Consumer debtors											
Consumer debtors		16 718	14 146	24 327	13 056	13 056	13 056	13 056	66 874	51 807	35 823
Less: Provision for debt impairment		–	–						(15 067)	(15 984)	(16 955)
Total Consumer debtors	2	16 718	14 146	24 327	13 056	13 056	13 056	13 056	51 807	35 823	18 868
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		229 968	253 358	291 429	253 699	253 699	253 699	253 699	345 909	415 449	468 456
Leases recognised as PPE	3	–	–		–	–	–	–	–	–	–
Less: Accumulated depreciation		–	–		8 718	8 718	8 718	8 718	12 766	13 632	14 450
Total Property, plant and equipment (PPE)	2	229 968	253 358	291 429	244 981	244 981	244 981	244 981	333 143	401 817	454 006
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	–								
Current portion of long-term liabilities		534	606	686	685	1 036	1 036	1 036	776	879	996
Total Current liabilities - Borrowing		534	606	686	685	1 036	1 036	1 036	776	879	996
Trade and other payables											
Trade and other creditors		32 471	48 460	52 409	40 607	40 607	40 607	40 607	41 369		
Unspent conditional transfers		9 652	5 314	10 850							
VAT		–	–								
Total Trade and other payables	2	42 122	53 773	63 259	40 607	40 607	40 607	40 607	41 369	–	–
Non current liabilities - Borrowing											
Borrowing	4	–	8 534	7 848	7 853	16 553	16 553	16 553	7 077	6 198	5 203
Finance leases (including PPP asset element)		–	241	921							
Total Non current liabilities - Borrowing		–	8 775	8 770	7 853	16 553	16 553	16 553	7 077	6 198	5 203
Provisions - non-current											
Retirement benefits		7 101	10 545	11 665	10 922	10 922	10 922	10 922			
List other major provision items											
Refuse landfill site rehabilitation		–	–								
Other		12 169	2 972	25 982	13 570	13 570	13 570	13 570	7 710		
Total Provisions - non-current		19 270	13 517	37 647	24 492	24 492	24 492	24 492	7 710	–	–
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		189 141	205 909	203 317	182 636	160 234	160 234	160 234	304 722	392 458	447 105
GRAP adjustments											
Restated balance		189 141	205 909	203 317	182 636	160 234	160 234	160 234	304 722	392 458	447 105
Surplus/(Deficit)		10 672	(2 592)	14 927	26 887	40 237	40 237	40 237	36 563	50 824	32 996
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	199 813	203 317	218 244	209 522	200 471	200 471	200 471	341 285	443 282	480 100
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	199 813	203 317	218 244	209 522	200 471	200 471	200 471	341 285	443 282	480 100

2.9 Municipal Manager's Quality Certificate

I,....., The Municipal Manager of Kannaland Municipality hereby certify that the annual budget and supporting documentation for the 2016/2017 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documentation is consistent with the Integrated Development Plan.

Print name

Municipal Manger of

Signature

Date